CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

National income and expenditure in the third quarter of 1979

The effects of taxes and benefits on household income, 1978

No 315
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Release dates of economic statistics to be published in February 1980

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in February 1980. The dates are targets which are normally expected to be met. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about individual series should be made to the source named.

Publication date	Series	Method of release	Source
February 1980			
Fri 1	Car and commercial vehicle production (December – final)	T and I	D of Industry
Mon 4	Capital issue and redemptions (during the month of January)	PN	Bank of England
	UK official reserves (January)	PN	HM Treasury
	Hire purchase and other instalment credit business (December)	PN	D of Trade
	Retail sales (December – final)	PN	D of Trade
	Building society house prices and mortgage statistics (4th quarter)	PN	D of the Environment
Tues 5	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-January)	PN	Bank of England
	London clearing banks' monthly statement (mid-January)	PN	CLCB
	CBI Industrial trends survey (January)	PN	CBI
Wed 6	Housing starts and completions (December)	PN	D of the Environment
	Slum clearance (4th quarter)	PN	D of the Environment
	House renovations (4th quarter)	PN	D of the Environment
Thurs 7	Provisional figures of vehicles production (January)	PN	D of Industry
Mon 11	Central government transactions (including borrowing requirement) (January)	PN	HM Treasury
	Wholesale price index numbers (January – provisional)	PN	D of Industry
	Turnover of the catering trades (4th quarter)	PN	D of Trade
Tues 12	Building societies' monthly figures (January)	PN	BSA
Wed 13	Index of industrial production (December – provisional)	PN	CSO
Thurs 14	Consumers' expenditure (4th quarter – 2nd preliminary estimate)	PN	CSO
	UK banks' assets and liabilities and the money stock (mid-January)	PN	Bank of England
	London dollar and sterling certificates of deposit (mid-January)	PN	Bank of England
Fri 15	Cyclical indicators for the UK economy (January)	PN	CSO
	Retail prices index (January)	PN	D of Employment
	Tax and price index (January)	PN	CSO
	Finished steel consumption and stock changes (4th quarter – provisional)	T and I	D of Industry
	Usable steel production (January)	PN	BSC/BISPA
	Balance of payments current account and overseas trade figures (January)	PN	D of Trade/CSO
Sun 17	Department for National Savings' monthly progress report (January)	PN	D for National Savings
Tues 19	Preliminary estimate of gross domestic product based on output data (4th quarter)	PN	CSO
Wed 20	Indices of average earnings (December)	PN	D of Employment
	Indices of basic rates of wages (January)	PN	D of Employment
	Construction – new orders (December)	PN	D of the Environment
Thurs 21	Public sector borrowing requirement and details of local authority borrowing (4th quarter)	PN	CSO
	Capital expenditure by the manufacturing, distributive and service industries (4th quarter – provisional)	PN	D of Industry
	Manufacturers' and distributors' stocks (4th quarter – provisional)	PN	D of Industry
Fri 22	New vehicle registrations (January)	PN	D of Transport
	Sales and orders in the engineering industries (November)	T and I	D of Industry
	Turnover of the motor trades (4th quarter)	T and I	D of Industry
Mon 25	Retail sales (January – provisional)	PN	D of Trade
Tues 26	Unemployment (February – provisional)	PN	D of Employment
	Unfilled vacancies (February – provisional)	PN	D of Employment
	Bricks and cement production (January)	PN	D of the Environment
Thurs 28	Energy Trends	PN	D of Energy
	Unemployment and unfilled vacancies (January – final)	Gazette	D of Employment
	Unemployment, vacancies and placings by occupation (4th quarter)	Gazette	D of Employment
	Employment in the production industries (December)	Gazette	D of Employment
	Overtime and short-time working in the manufacturing industries (December)	Gazette	D of Employment
	Stoppages of work due to industrial disputes (January)	Gazette	D of Employment
Fri 29	Car and commercial vehicle production (January – final)	T and I	D of Industry

PN—*Press Notice* T and I—*Trade and Industry*

CENTRAL STATISTICAL OFFICE

Economic Trends

No 315
January 1980

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Government Statistical Service

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The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-233 6135/6193.

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Introduction

Economic Trends brings together all the main economic indicators.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 22 January. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

Changes with this issue

A new table, *Sterling exchange rates*, replaces *Analysis of capital transactions and official financing*, previously shown on page 50. The new table includes the sterling effective exchange rate, previously shown on page 44. The analysis of capital transactions data will continue to appear in the quarterly balance of payments articles in the March, June, September and December issues of *Economic Trends*.

The *Balance of payments current account* table (48) now shows services, interests, profits and dividends, and transfers, under invisibles.

Changes have also been made to the *Selected monthly indicators* (page 5). The series on new registrations of cars is now shown only on the page dealing with retail sales, etc. (12) and figures of exports and imports of goods now appear only on the page concerned with visible trade (48). Page 5 now includes monthly figures of the balance of payments current balance.

The *Round-up* will no longer be included in each issue. Items of interest will be presented from time to time as necessary.

Correction to *Economic Trends Annual Supplement* No. 5, 1980 Edition

Page 138	**Money stock**
Column 1	M_1, *Seasonally adjusted*
1971 *Q4*	**delete** 9, 830 **insert** 10, 310

Symbols used:

..	not available or not meaningful
–	nil or less than half the final digit shown
§	series for which measures of variability are given on page 70
†	indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

The Editor would welcome readers' suggestions for improvements to *Economic Trends*

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Latest developments in the economy[1]

Data available at 22 January 1980

Output

The underlying level of industrial production during last year was broadly flat, apart from some growth in the energy sector, according to figures up to November 1979.

Steel production in December 1979 was some 11 per cent less than in November. Output in the year 1979 was, however, 5·5 per cent up on 1978.

Car production continued to recover in December from the very low August level. During the year 1979 as a whole, car production was about 13 per cent less than in 1978.

Housebuilding

Housing starts in Great Britain in September to November were 2 per cent up on the previous three months but 13 per cent lower than in September to November 1978. Total completions were up by 10 per cent on the previous three months but 6 per cent lower than a year earlier.

Consumers' expenditure

There was an increase of $1\frac{3}{4}$ per cent in the preliminary estimate of consumers' expenditure for the fourth quarter of 1979 over the third quarter. Expenditure on alcoholic drink, motor vehicles and on goods such as clothing, footwear, and radio and electrical goods recovered from the lower third quarter levels. Expenditure on food fell back slightly. Consumers' expenditure during 1979 was nearly 4 per cent higher than in 1978.

The volume of retail sales in December continued at much the same level as in November. The average level of trade during 1979 was about 3 per cent above the average for 1978.

Investment intentions

The volume of investment by manufacturing industry during 1979 was probably about 3 per cent less than in 1978. The Department of Industry's latest survey of investment intentions suggests that there will be a further fall of 6 to 10 per cent during 1980. Investment by the distributive and service industries is expected to have reached a new record in 1979, being about 8 per cent more than in 1978. A further increase of not more than 5 per cent is expected in 1980 with probably little change in 1981.

Earnings and wage rates

Average earnings of employees in Great Britain are estimated to have risen by 19·2 per cent between November 1978 and November 1979. This estimate is based on the whole economy series index which is not seasonally adjusted. The older series index, covering the production industries and some services, which is seasonally adjusted, rose by 1·6 per cent between October and November.

The index of basic weekly wage rates (not seasonally adjusted) increased during December to a level 15·6 per cent higher than at the end of December 1978.

Prices (not seasonally adjusted)

The tax and price index for December was 119·8, 14·9 per cent higher than December 1978.

The retail price index in December was 239·4 (January 1974=100), an increase of 0·7 per cent on November 1979 and of 17·2 per cent on December 1978.

The wholesale price index for home sales of manufactured products rose by $\frac{3}{4}$ per cent during December. During 1979 the increase was $15\frac{1}{2}$ per cent.

The price index for materials and fuel purchased by manufacturing industry increased in December by $\frac{1}{4}$ per cent from a revised November level. This index rose by 26 per cent between December 1978 and December 1979.

Unemployment and vacancies

Unemployment in the United Kingdom (excluding school leavers) rose by 44,300 in January to 1,338,800.

The number of vacancies notified to employment offices fell by 13,200 in January to 206,600.

Trade and the balance of payments

The current account is provisionally estimated to have been in deficit by £2·4 billion in the year 1979 as a whole. In the fourth quarter of 1979, the current account deficit was £385 million, compared with one of £220 million in the third quarter. There was a visible trade deficit of £535 million only partially offset by a surplus on invisibles projected at £150 million.

In the fourth quarter, exports were $3\frac{1}{2}$ per cent higher by value than in the third quarter, the increase being mainly from higher shipments of oil and the more erratic items. Imports rose by $4\frac{1}{2}$ per cent by value with significant increases for the erratic items, oil and finished manufactures. Both imports and exports showed little change in volume between the two quarters and the terms of trade declined by 2 per cent.

Financial developments

Sterling M_3 rose by £210 million or 0·4 per cent during the three weeks ended 12 December. The annual rate of increase since mid-June was $11\frac{1}{2}$ per cent. M_1 was unchanged during the December banking month.

Domestic credit expanded by £250 million during the month; this was considerably less than in recent months. Although there was a very large central government borrowing requirement at £1,470 million, this was substantially offset by sales of £1,260 million of central government debt to the non-bank private sector. With some repayment of bank borrowing by the rest of the public sector, the total public sector contribution to domestic credit expansion was small. The increase in bank lending in sterling to the private

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

sector at £210 million appears to have been erratically low but external and foreign currency finance was positive this month at £200 million, implying an inflow in sterling to the non-bank private sector.

Companies

Measured by their net acquisition of financial assets, industrial and commercial companies are estimated to have had a deficit of £2·1 billion in the second and third quarters of 1979 compared with one of £2·5 billion in the preceding six months. The reduction in the deficit was due to an increase in undistributed income (net of stock appreciation) of £0·3 billion coupled with a fall of £0·1 billion in capital formation and stocks.

Economic events

December

13 The directly-elected European Parliament voted to reject the Community's draft Budget for 1980.

18 A meeting of the Organisation of Petroleum Exporting Countries (OPEC) was held in Caracas, Venezuela. There was no agreement on a single new official oil price; basic prices for oil will range from $24 a barrel for Saudi Arabian crude to about $30 a barrel for the high quality light crudes from Algeria, Libya and Nigeria. The average OPEC selling price will be about $26 a barrel, an increase of nearly 25 per cent. The latest Economic Outlook published by the Organisation for Economic Cooperation and Development (OECD) expected a deterioration in prospects for the world economy following the latest round of oil prices.

20 The Secretary of State for Industry, Sir Keith Joseph, made a statement to the House of Commons about the British Leyland 1980 corporate plan. The Government have decided to fund the plan up to the end of 1980–81 by the provision of £150 million in equity form, with a drawing facility of a further £150 million. In addition, they have accepted the BL board's request for conversion to equity of the £150 million loans provided in 1977. A further £133 million from the Government would be needed between 1981 and 1983.
The Housing Bill was published. One of its main provisions will be to give council tenants the statutory right to buy the houses they occupy.

January 1980

2 A national strike of steelworkers employed by the British Steel Corporation began. The dispute was about pay.

4 A Standing Commission on Pay Comparability (Chairman: Professor Clegg) report on the pay of nurses and midwives in the National Health Service (Cmnd 7795) recommended pay awards averaging 19·6 per cent, in two stages. The Government agreed to implement the recommendation.

9 The Prime Minister chaired a meeting of the National Economic Development Council.

11 The Bank of England will release temporarily about £1 billion of special deposits held at the Bank by the banking system to ease pressure in the money markets following the exhaustion of two gilt-edge ' 'tap' stocks.

Selected monthly indicators[1]

	Seasonally adjusted				Unadjusted					Seasonally adjusted	
	1971 =100	1975 =100	Thousands		Jan. 1976 =100	1975 =100	Jan. 1974 =100	Jan. 1978 =100	Dec. 1971 =100	£ million	
	Volume of retail sales (GB)[2, 3] §	Index of industrial production[4] §	Unemployment[5, 10§]	Vacancies[6, 8§]	Average earnings (whole economy: GB)	Wholesale prices of materials and fuel[7]	Retail price index (all items)	Tax and price index[9]	Sterling effective exchange rate	Balance of payments: Current balance	Money stock sterling M3
1978 J	105·3	106·8	1,421·7	180·2	121·5	139·4	189·5	100·0	66·0	−241	44,470
F	106·7	107·2†	1,413·9	185·3	122·7	139·1	190·6	100·7	66·0	+146	45,390
M	107·2	106·7	1,411·4	192·3	125·0	142·0	191·8	101·5	64·1	−197	45,650
A	106·9	111·1	1,403·0	199·8	127·2	145·1	194·6	98·4	61·8	+221	46,310
M	108·2	110·1	1,384·8	205·6	129·4	146·8	195·7	99·0	61·5	− 29	46,840
J	108·6	111·1	1,378·1	213·4	133·1	147·0	197·2	100·0	61·3	+ 27	47,210
J	111·0	111·5	1,370·2	211·1	133·6	145·8	198·1	100·5	62·1	+ 54	47,880
A	111·7	111·7	1,373·4	211·8	131·7	144·2	199·4	101·3	62·4	+201	47,670
S	109·6	111·0	1,360·2	222·8	134·2	144·8	200·2	101·8	62·7	− 14	48,140
O	110·2	109·4	1,349·9	231·8	135·2	145·7	201·1	102·4	62·5	+211	48,490
N	110·5	110·1	1,331·7	234·9	136·1	147·3	202·5	103·2	62·5	+ 80	48,800
D	113·8	111·8	1,319·6	235·9	138·0	148·3	204·2	104·3	63·2	+255	49,520
1979 J	109·6	103·8	1,342·1	235·7	135·7	151·8†	207·2	106·1	63·5	− 56	50,570
F	110·4	111·8	1,366·5	228·9	141·1	153·3	208·9	107·2	63·7	−661	51,080
M	110·8	113·1	1,361·5	233·1	143·7	155·2	210·6	108·2	65·0	−521	50,640
A	115·4	113·7	1,327·4	245·3	144·3	160·6	214·2	110·5	66·9	−128	51,360
M	113·5	114·9	1,306·4	257·3	146·9	162·8	215·9	111·6	66·9	−252	52,090
J	120·3	117·2	1,278·7	262·4	150·9	166·6	219·6	113·8	68·3	−195	52,690
J	108·7	116·4	1,278·7	253·0	155·6	168·1	229·1	113·8	71·9	+ 35	53,110
A	111·5	112·0	1,264·7	245·6	153·3	169·1	230·9	114·9	71·4	−132	53,640
S	110·0	110·9	1,263·9	243·1	153·6	172·5	233·2	116·2	69·8	−123	53,950
O	111·4	112·3	1,282·0	237·4	158·1	178·1	235·6	117·6	68·4		55,010
N	113·8	113·5	1,282·1	234·3	162·2[11]	186·1[11]	237·7	118·8	68·4		55,310
D	113·5[11]		1,294·5	219·8		186·7[11]	239·4	119·8	69·7		55,510
	Percentage change, latest three months on previous three months										
1979 J	+ 1·0	− 1·9	− 2·2	+ 6·0	+ 2·1	+ 2·9†	+ 2·2	..	+ 0·9	..	+ 3·2
F	+ 1·3	− 0·9	− 0·3	+ 1·6	− 2·3	+ 3·6	+ 2·7	..	+ 1·4	..	+ 3·9
M	− 1·3	− 0·8†	+ 1·7	− 0·7	+ 2·7	+ 4·3	+ 3·1	..	+ 2·1	..	+ 3·7
A	+ 0·5	+ 4·0	+ 1·6	+ 0·1	+ 4·7	+ 4·9	+ 3·2	..	+ 3·4	..	+ 2·8
M	+ 1·3	+ 4·4	− 0·8	+ 5·0	+ 4·9	+ 5·6	+ 3·3	..	+ 4·4	..	+ 1·9
J	+ 5·8	+ 5·2	− 3·9	+ 9·6	+ 5·1	+ 6·5	+ 3·7	..	+ 5·2	..	+ 2·5
J	+ 2·3	+ 2·9	− 4·7	+ 9·2	+ 5·7	+ 6·1	+ 4·9	..	+ 5·9	..	+ 3·1
A	+ 0·9	+ 1·1	− 4·3	+ 3·4	+ 5·7	+ 5·3	+ 6·0	..	+ 6·4	..	+ 3·4
S	− 5·7	− 1·9	− 2·7	− 3·0	+ 4·6	+ 4·0	+ 6·7	..	+ 5·4	..	+ 2·9
O	− 3·3	− 3·8	− 1·4	− 6·0	+ 2·6	+ 4·5	+ 5·3	..	+ 1·2	..	+ 3·0
N	− 2·1	− 2·6	+ 0·2	− 6·1	+ 3·1[11]	+ 6·5[11]	+ 4·0	..	− 2·4	..	+ 3·0
D	+ 2·5[11]		+ 1·3	− 6·8		+ 8·1[11]	+ 2·8	..	− 3·1	..	+ 3·2
	Percentage change, latest three months on corresponding period of previous year										
1979 J	+ 5·8	+ 1·9	− 6·4	+38·0	+12·8	+ 5·9†	+ 8·6	..	− 2·2	..	+13·6
F	+ 4·9	+ 2·0	− 5·4	+31·0	+13·3	+ 8·1	+ 9·1	..	+ 2·8	..	+13·3
M	+ 3·7	+ 2·5	− 4·2	+25·1	+13·9	+ 9·5	+ 9·6	+ 6·4	− 2·0	..	+12·4
A	+ 4·9	+ 4·2†	− 4·1	+22·5	+14·5	+10·1	+ 9·8	+ 8·4	+ 1·9	..	+11·5
M	+ 5·2	+ 4·2	− 4·9	+23·1	+14·0	+10·3	+10·1	+10·5	+ 5·7	..	+11·0
J	+ 8·2	+ 4·1	− 6·1	+23·6	+13·4	+11·6	+10·6	+12·9	+ 9·5	..	+11·2
J	+ 5·0	+ 4·7	− 6·5	+22·6	+14·5	+13·2	+12·4	+13·3	+12·0	..	+11·2
A	+ 3·4	+ 3·4	− 7·3	+19·6	+15·4	+15·3	+14·3	+13·5	+13·9	..	+11·7
S	− 0·5	+ 1·5	− 7·2	+14·9	+15·8	+17·2	+16·0	+13·6	+13·8	..	+11·8
O	+ 0·5	+ 0·9	− 6·7	+ 9·0	+15·9	+19·6	+16·5	+14·1	+11·7	..	+12·7
N	+ 1·4	+ 1·9	− 5·3	+ 3·7	+16·9[11]	+22·6[11]	+17·0	+14·7	+10·1	..	+13·0
D	+ 1·1[11]		− 3·6	− 1·6		+24·8[11]	+17·3	+14·9	+ 9·7	..	+13·0

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences, January 1975 is exceptionally a five-week period. Further details are given on page 716 of *Trade and Industry* 14 March 1975.
[4] All industries covered.
[5] Unemployed excluding school-leavers.
[6] Vacancies notified to employment offices.
[7] Purchased by manufacturing industry.
[8] The seasonally adjusted series have been calculated as described in *Employment Gazette* for May 1979.
[9] Described in an article in *Economic Trends* No. 310, August 1979.
[10] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit, as described on page 1151 of *Employment Gazette*, November 1979.
[11] Provisional.

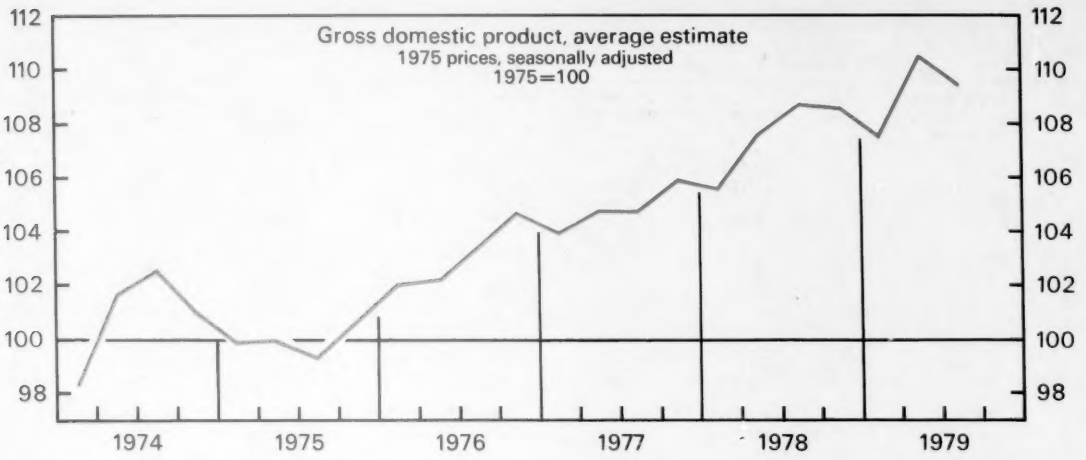
Tables and charts

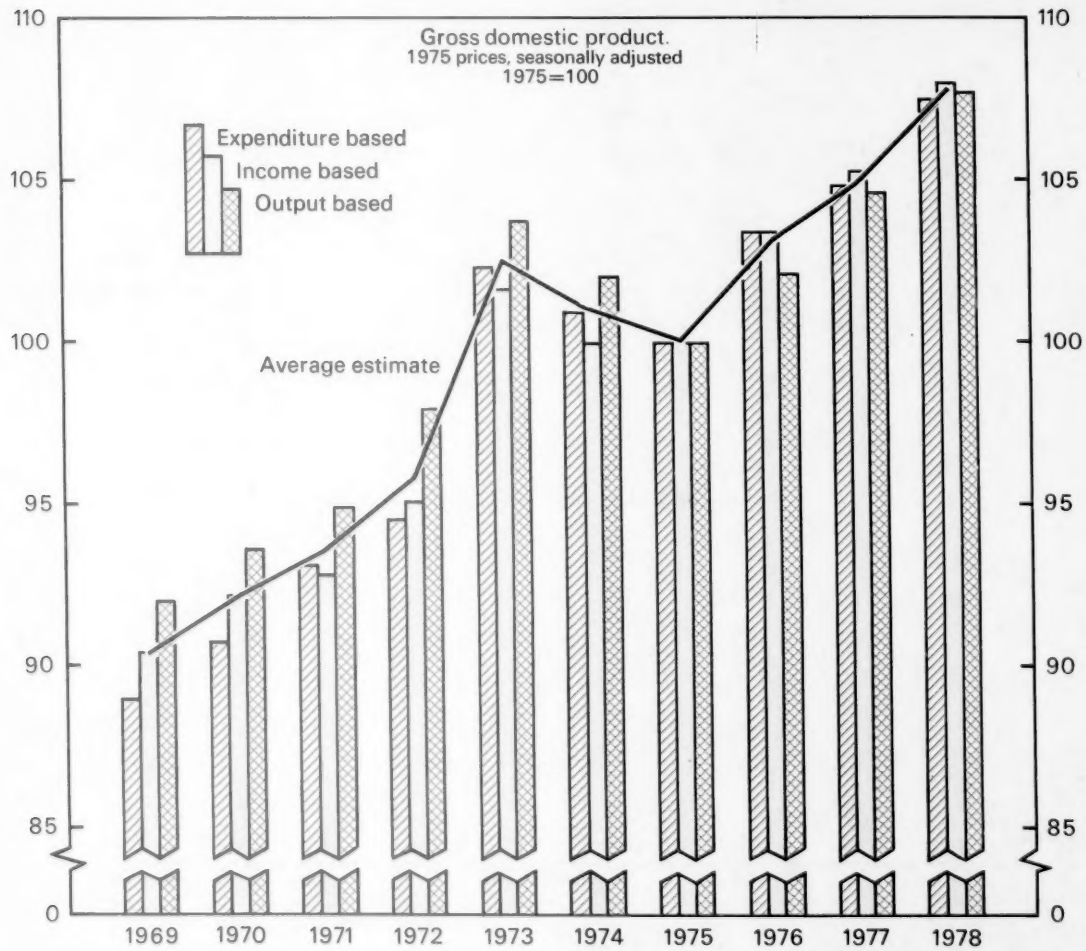
Gross domestic product at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

Seasonally adjusted

	Gross domestic product at factor cost									Implied Index of total home costs	National disposable income at 1975 market prices[2]
	At current prices				At 1975 factor cost						
	£ million		1975 =100		£ million	1975 =100				1975 =100	1975 =100
	Based on:		Based on:		Based on:	Based on:				Based on:	
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data §	income data[3] §	output data §	Average estimate §	expenditure data	Average estimate
1968	37,554	37,179	40·2	40·1	81,659	87·3	87·3	90·2†	88·3	46·0	91·1
1969	39,616	39,902	42·4	43·1	83,091	88·9	90·4	92·0	90·4	47·7	93·7
1970	43,460	43,747	46·5	47·2	84,822	90·7	92·2	93·6	92·2	51·2	96·2
1971	49,428	48,746	52·9	52·6	87,051	93·1	92·7	94·9	93·6	56·7	98·2
1972	55,147	54,946	59·0	59·3	88,385	94·5	95·1	97·9	95·8	62·4	100·9
1973	64,154	63,157	68·6	68·2	95,634	102·3	101·6	103·7	102·5	67·1	105·9
1974	74,073	72,677	79·2	78·5	94,313	100·9	99·9	102·0	100·9	78·5	100·2
1975	93,502	92,614	100·0	100·0	93,502	100·0	100·0	100·0	100·0	100·0	100·0
1976	109,958†	108,947†	117·6†	117·6	96,681†	103·4†	103·4	102·1	103·0†	113·7	102·9†
1977	124,716	124,109	133·4	134·0	97,992	104·8	105·3	104·6	104·9	127·2	103·8
1978	141,681	140,928	151·5	152·2	100,523	107·5	108·0	107·7	107·7	140·9†	108·4
1974 *3*	19,572	19,193	83·7	82·9	24,012	102·7	101·8	103·3	102·6	81·5	100·9
4	20,212	20,238	86·5	87·4	23,443	100·3	101·5	101·4	101·1†	86·2	
1975 *1*	21,515	21,393	92·0	92·4	23,154	99·1	99·4	101·2	99·9	92·9	100·1
2	23,035	22,524	98·6	97·3	23,570	100·8	99·6	99·8	100·1	97·7	
3	23,820	23,812	101·9	102·8	23,137	99·0	99·9	99·3	99·4	103·0	99·9
4	25,132	24,885	107·5	107·5	23,641	101·1	101·1	99·7	100·6	106·3	
1976 *1*	26,160†	25,578	111·9†	110·4	24,079	103·0†	101·7	101·0	101·9	108·6	102·2†
2	26,799	26,622	114·7	115·0	23,833	102·0	102·3	101·7	102·0	112·4	
3	27,897	27,849	119·3	120·3	24,241	103·7	104·5	102·0	103·4	115·1	103·5
4	29,102	28,898	124·5	124·8	24,528	104·9	105·2	103·9	104·7	118·7	
1977 *1*	29,604	29,612	126·6	127·9	24,152	103·3	104·3	104·4	104·0	122·6	102·8
2	30,565	30,679	130·8	132·5	24,412	104·4	105·8	104·1	104·8	125·2	
3	31,874	31,564	136·3	136·3	24,501	104·8	104·8	104·8	104·8	130·1	104·8
4	32,673	32,254	139·8	139·3	24,927	106·7	106·3	105·1	106·0	131·0	
1978 *1*	33,966	33,326	145·3	144·0	24,798	106·1	105·1	105·7	105·7	137·0	107·2
2	34,678	34,665	148·3	149·7	25,042	107·1	108·1	107·9	107·7	138·5	
3	36,183	36,287	154·8	156·7	25,298	108·2	109·6	108·6	108·8	143·0	109·6
4	36,854	36,650	157·7	158·3	25,385	108·6	109·1	108·5	108·7	145·2	
1979 *1*	36,353	37,194	155·5	160·6	24,642	105·4	108·9	107·3	107·6[4]	147·5†	110·6
2	39,274	39,599	168·0	171·0	25,263	108·1	110·0	111·4	111·6[4]	155·5	
3	40,298	41,299	172·4	178·4	24,826	106·2	109·9	109·3	109·5[4]	162·3	
	Percentage change, period on corresponding period of previous year										
1977 *1*	*+13·2*	*+15·8*	*+13·2*	*+15·8*	*+0·3*	*+0·3*	*+2·6*	*+3·4*	*+2·1*	*+12·9*	*+0·6*
2	*+14·1*	*+15·2*	*+14·1*	*+15·2*	*+2·4*	*+2·4*	*+3·4*	*+2·4*	*+2·7*	*+11·4*	
3	*+14·3*	*+13·3*	*+14·3*	*+13·3*	*+1·1*	*+1·1*	*+0·3*	*+2·7*	*+1·4*	*+13·0*	*+1·3*
4	*+12·3*	*+11·6*	*+12·3*	*+11·6*	*+1·6*	*+1·6*	*+1·0*	*+1·2*	*+1·2*	*+10·4*	
1978 *1*	*+14·7*	*+12·5*	*+14·7*	*+12·5*	*+2·7*	*+2·7*	*+0·8*	*+1·2*	*+1·6*	*+11·7*	*+4·3*
2	*+13·5*	*+13·0*	*+13·5*	*+13·0*	*+2·6*	*+2·6*	*+2·2*	*+3·7*	*+2·8*	*+10·6*	
3	*+13·5*	*+15·0*	*+13·5*	*+15·0*	*+3·3*	*+3·3*	*+4·6*	*+3·6*	*+3·8*	*+ 9·9*	*+4·6*
4	*+12·8*	*+13·6*	*+12·8*	*+13·6*	*+1·8*	*+1·8*	*+2·6*	*+3·2*	*+2·5*	*+10·8*	
1979 *1*	*+ 7·0*	*+11·6*	*+ 7·0*	*+11·6*	*−0·6*	*−0·6*	*+3·6*	*+1·5*	*+1·8*	*+ 7·7*	*+3·2*
2	*+13·3*	*+14·2*	*+13·3*	*+14·2*	*+0·9*	*+0·9*	*+1·8*	*+3·2*	*+3·6*	*+12·3*	
3	*+11·4*	*+13·8*	*+11·4*	*+13·8*	*−1·9*	*−1·9*	*+0·3*	*+0·6*	*+0·6*	*+13·5*	

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Introduced in an article on page xxviii *Economic Trends*, No. 255, January 1975.
[3] Income data deflated by the implied index of total home costs.
[4] Because of doubts about the reliability of the expenditure-based measure of GDP in 1979, these figures have been produced by projecting forward the average estimate in Q4 1978 by the quarterly movements in the output-based measure.


Gross domestic product, average estimate
1975 prices, seasonally adjusted
1975=100
112
110
108
106
104
102
100
98
1974
1975
1976
1977
1978
1979


Gross domestic product.
1975 prices, seasonally adjusted
1975=100
Expenditure based
Income based
Output based
Average estimate
110
105
100
95
90
85
0
1969
1970
1971
1972
1973
1974
1975
1976
1977
1978

Expenditure on the gross domestic product

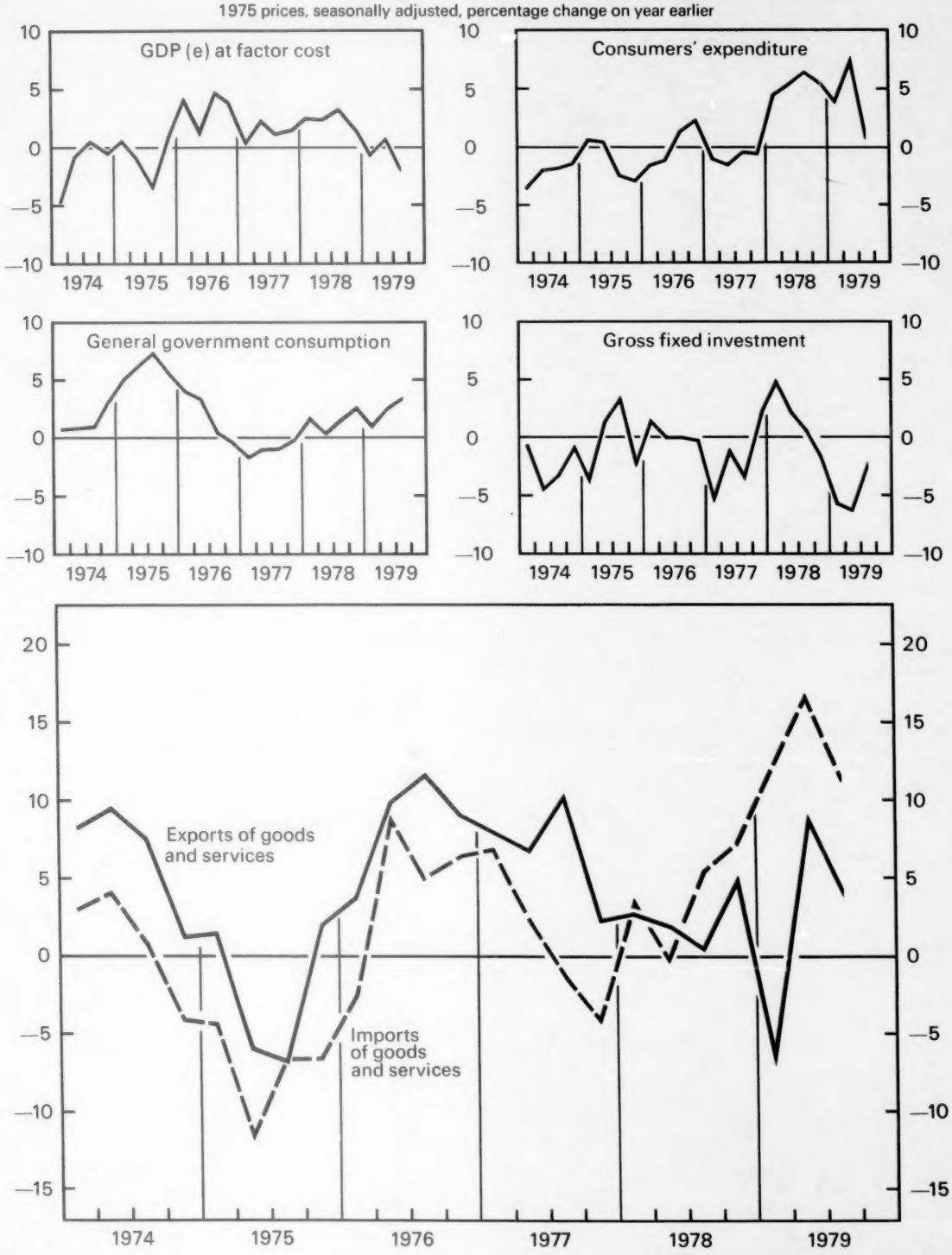
Seasonally adjusted

£ million, 1975 prices

	Gross domestic product at factor cost (expenditure based)[1]	Final expenditure on goods and services at market prices							
		Total[1]	Consumers' expenditure§	General government consumption	Gross fixed investment§	Stock building§	Exports of goods and services§	Imports of goods and services§	Adjustment to factor cost
1968	81,659	113,020	55,880	19,165	18,852	867	18,542	22,241	8,854
1969	83,091	114,994	56,169	18,808	18,924	927	20,364	22,955	8,823
1970	84,822	118,279	57,676	19,076	19,425	798	21,471	24,168	9,163
1971	87,051	122,014	59,557	19,642	19,735	188	23,025	25,331	9,510
1972	88,385	126,611	62,999	20,451	19,767	152	23,291	27,788	10,239
1973	95,634	137,600	65,911	21,426	21,111	3,043	26,109	31,052	10,914
1974	94,313	136,264	64,418	21,732	20,636	1,655	27,823	31,318	10,633
1975	93,502	132,967	63,704	23,050	20,545	−1,477	27,145	29,018	10,447
1976	96,681†	137,835†	63,852	23,477	20,623	436	29,447†	30,297†	10,857
1977	97,992	139,398	63,313	23,268	20,187	1,217	31,413	30,564	10,842
1978	100,523	144,131	66,728	23,623	20,485	1,129	32,166	31,751	11,857
1974 *1*	23,048	33,502	16,032	5,371	5,333	−7	6,773	7,736	2,718
2	23,810	34,358	16,035	5,367	5,086	811	7,059	7,944	2,604
3	24,012	34,563	16,141	5,438	5,042	809	7,133	7,896	2,655
4	23,443	33,841	16,210	5,556	5,175	42	6,858	7,742	2,656
1975 *1*	23,154	33,222	16,141	5,646	5,126	−560	6,869	7,398	2,670
2	23,570	33,215	16,114	5,703	5,152	−394	6,640	7,012	2,633
3	23,137	33,093	15,738	5,840	5,213	−346	6,648	7,378	2,578
4	23,641	33,437	15,711	5,861	5,054	−177	6,988	7,230	2,566
1976 *1*	24,080†	33,979†	15,885	5,873	5,209	−110	7,122†	7,234†	2,665
2	23,833	34,177	15,936	5,896	5,152	−107	7,300	7,630	2,714
3	24,241	34,694	15,946	5,866	5,211	261	7,410	7,745	2,708
4	24,527	34,985	16,085	5,842	5,051	392	7,615	7,688	2,770
1977 *1*	24,152	34,586	15,727	5,773	4,921	482	7,683	7,725	2,709
2	24,412	34,872	15,694	5,845	5,099	440	7,794	7,810	2,650
3	24,501	34,895	15,883	5,815	5,019	23	8,155	7,660	2,734
4	24,927	35,045	16,009	5,835	5,148	272	7,781	7,369	2,749
1978 *1*	24,798	35,741	16,432	5,873	5,166	390	7,880	7,986	2,957
2	25,042	35,771	16,522	5,870	5,205	229	7,945	7,790	2,939
3	25,298	36,366	16,879	5,901	5,054	346	8,186	8,073	2,995
4	25,385	36,253	16,895	5,979	5,060	164	8,155	7,902	2,966
1979 *1*	24,642	35,945	17,076†	5,932†	4,873†	729†	7,335	8,246	3,057†
2	25,263	37,563	17,791	6,022	4,884	222	8,644	9,086	3,214
3	24,826	36,879	17,059	6,101	4,955	254	8,510	8,993	3,060
	Percentage change, quarter on corresponding quarter of previous year								
1976 *1*	*+4·0*	*+2·3*	*−1·6*	*+4·0*	*+1·6*	..	*+3·7*	*−2·2*	*−0·2*
2	*+1·1*	*+2·9*	*−1·1*	*+3·4*	—	..	*+9·9*	*+8·8*	*+3·1*
3	*+4·8*	*+4·8*	*+1·3*	*+0·4*	—	..	*+11·5*	*+5·0*	*+5·0*
4	*+3·8*	*+4·6*	*+2·4*	*−0·3*	*−0·1*	..	*+9·0*	*+6·3*	*+8·0*
1977 *1*	*+0·3*	*+1·8*	*−1·0*	*−1·7*	*−5·5*	..	*+7·9*	*+6·8*	*+1·7*
2	*+2·4*	*+2·0*	*−1·5*	*−0·9*	*−1·0*	..	*+6·8*	*+2·4*	*−2·4*
3	*+1·1*	*+0·6*	*−0·4*	*−0·9*	*−3·7*	..	*+10·1*	*−1·1*	*+1·0*
4	*+1·6*	*+0·2*	*−0·5*	*−0·1*	*+1·9*	..	*+2·2*	*−4·1*	*−0·8*
1978 *1*	*+2·7*	*+3·3*	*+4·5*	*+1·7*	*+5·0*	..	*+2·6*	*+3·4*	*+9·2*
2	*+2·6*	*+2·6*	*+5·3*	*+0·4*	*+2·1*	..	*+1·9*	*−0·3*	*+10·9*
3	*+3·3*	*+4·2*	*+6·3*	*+1·5*	*+0·7*	..	*+0·4*	*+5·4*	*+9·5*
4	*+1·8*	*+3·4*	*+5·5*	*+2·5*	*−1·7*	..	*+4·8*	*+7·2*	*+7·9*
1979 *1*	*−0·6*	*+0·6*	*+3·9*	*+1·0*	*−5·7*	..	*−6·9*	*+3·3*	*+3·4*
2	*+0·9*	*+5·0*	*+7·7*	*+2·6*	*−6·2*	..	*+8·8*	*+16·6*	*+9·4*
3	*−1·9*	*+1·4*	*+1·1*	*+3·4*	*−2·0*	..	*+4·0*	*+11·4*	*+2·2*

[1] For years up to and including 1972, totals differ from the sum of the components due to the method used to rebase on 1975 prices.

1975 prices, seasonally adjusted, percentage change on year earlier



Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1975 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure	Personal saving ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1975=100	£ million
1970	43,272	26,975	34,856	31,733	9·0	63,352	84·8	57,676
1971	47,829	29,676	38,507	35,509	7·8	64,585	86·4	59,557
1972	54,218	33,136	44,205	40,014	9·5	69,597	93·1	62,999
1973	62,984	38,018	51,100	45,472	11·0	74,069	99·1	65,911
1974	76,156	45,916	60,686	52,088	14·2	75,051	100·4	64,418
1975	96,772	59,176	74,707	63,704	14·7	74,707	100·0	63,704
1976	112,351	66,870	86,382	73,765	14·6	74,773	100·1	63,852
1977	125,616	74,047	97,748	84,132	13·9	73,560	98·5	63,313
1978	143,213	84,383	113,300	96,086	15·2	78,682	105·3	66,728
1975 *1*	22,652	14,008	17,710	14,784	16·5	19,326	103·5	16,141
2	23,614	14,378	18,336	15,851	13·5	18,631	99·8	16,114
3	24,933	15,228	19,082	16,263	14·8	18,456	98·8	15,738
4	25,573	15,562	19,579	16,806	14·2	18,294	97·9	15,711
1976 *1*	26,941	16,015	20,706	17,483	15·6	18,805	100·7	15,885
2	27,556	16,487	21,033	18,007	14·4	18,611	99·7	15,936
3	28,602	17,022	22,218	18,650	16·0	18,989	101·7	15,946
4	29,252	17,346	22,420	19,625	12·5	18,368	98·3	16,085
1977 *1*	30,425	17,939	23,343	19,977	14·4	18,382	98·4	15,727
2	30,783	18,239	23,713	20,698	12·7	17,981	96·3	15,694
3	31,605	18,623	24,710	21,530	12·9	18,230	97·6	15,883
4	32,803	19,246	25,977	21,927	15·6	18,967	101·6	16,009
1978 *1*	33,929	19,993	26,450	22,965	13·2	18,931	101·4	16,432
2	35,415	20,808	27,810	23,567	15·3	19,502	104·4	16,522
3	36,313	21,531	29,124	24 568	15·6	20,015	107·2	16,879
4	37,556	22,051	29,916	24,986	16·5	20,234	108·3	16,895
1979 *1*	38,685†	22,768†	30,749†	25,807†	16·1†	20,346†	108·9†	17,076†
2	40,623	23,762	32,106	27,814	13·4	20,536	110·0	17,791
3	42,704	25,082	34,111	28,323	17·0	20,545	110·0	17,059

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal disposable income revalued by the implied consumers' expenditure deflator (1975=100).

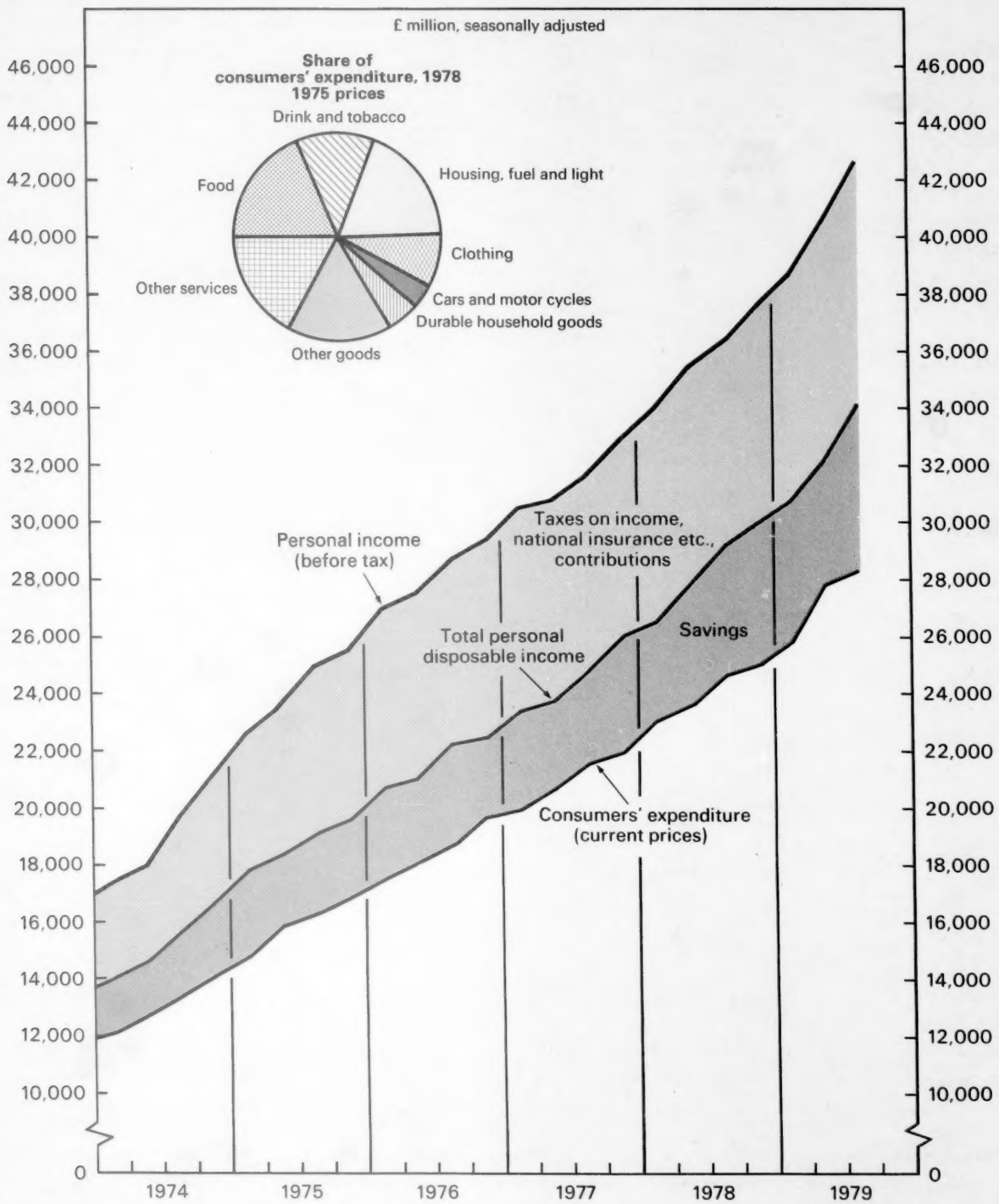
Real consumers' expenditure — component categories

Seasonally adjusted

£ million, 1975 prices

	Total[1] §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1971	59,557	12,117	6,520	8,714	2,752	4,715	2,429	2,345	9,032	11,203
1972	62,999	12,025	6,961	8,917	2,854	4,964	2,986	2,811	9,869	11,747
1973	65,911	12,210	7,694	9,181	2,930	5,183	3,396	2,668	10,658	11,991
1974	64,418	12,099	7,777	9,081	2,984	5,109	3,236	1,820	10,735	11,577
1975	63 704	12,072	7,604	9,286	2,914	5,173	3 198	1,816	10,515	11 126
1976	63,852	12,189	7,664	9,255	2,887	5,197	3,379	1,971	10,615	10,695
1977	63,313	12,049	7,460	9,399	2,962	5,102	3,151	1,922	10,531	10,737
1978	66,728	12,312	8,085	9,560	3,015	5,463	3,430	2,508	10,950	11,405
1976 *3*	15,946	3,071	1,939	2,321	699	1,305	861	455	2,640	2,655
4	16,085	3,015	1,970	2,312	748	1,300	863	555	2,663	2,659
1977 *1*	15,727	2,954	1,823	2,350	731	1,282	785	475	2,655	2,672
2	15,694	3,055	1,846	2,339	763	1,245	768	450	2,569	2,659
3	15,883	2,963	1,883	2,356	749	1,285	792	501	2,650	2,704
4	16,009	3,077	1,908	2,354	719	1,290	806	496	2,657	2,702
1978 *1*	16,432	3,045	2,012	2,388	746	1,312	834	591	2,696	2,808
2	16,522	3,052	1,995	2,378	759	1,336	851	606	2,713	2,832
3	16,879	3,130	2,033	2,390	771	1,403	875	655	2,773	2,849
4	16,895	3,085	2,045	2,404	739	1,412	870	656	2,768	2 916
1979 *1*	17,076†	3,042†	2,117	2,415	850	1,366	888	626†	2,809†	2,963†
2	17,791	3,154	2,163†	2,438	787†	1,455	1,024	851	2,864	3,055
3	17,059	3,210	1,989	2,454†	774	1,381†	843†	577	2,783	3,048

[1] For the years prior to 1973 the total differs from the sum of the components due to the method of rebasing to 1975 prices.


£ million, seasonally adjusted
Share of consumers' expenditure, 1978 1975 prices
Drink and tobacco
Housing, fuel and light
Food
Clothing
Other services
Cars and motor cycles
Durable household goods
Other goods
Personal income (before tax)
Taxes on income, national insurance etc., contributions
Total personal disposable income
Savings
Consumers' expenditure (current prices)
46,000
44,000
42,000
40,000
38,000
36,000
34,000
32,000
30,000
28,000
26,000
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
0
1974
1975
1976
1977
1978
1979

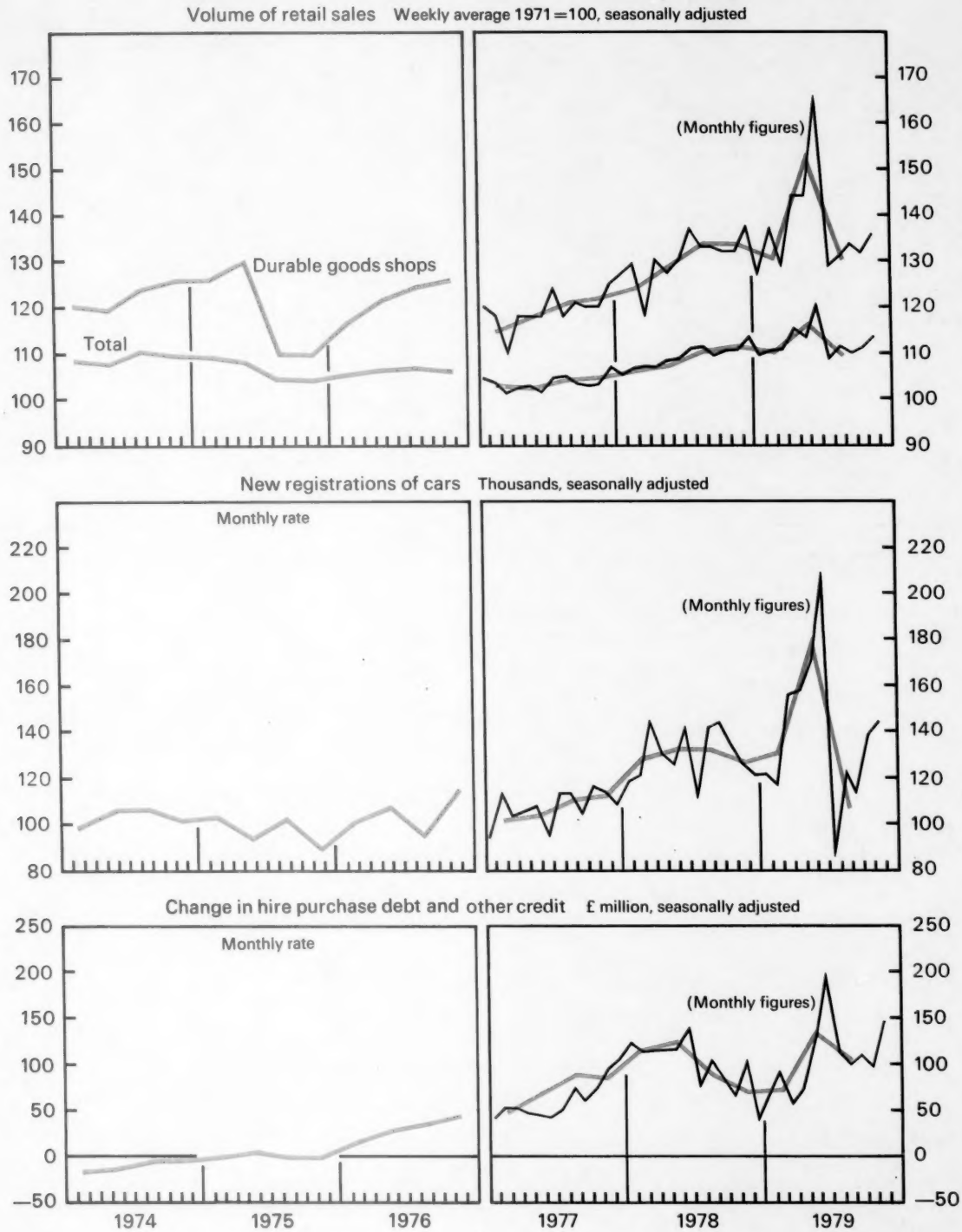
Retail sales, new registrations of cars and hire purchase debt (Great Britain)

	Seasonally adjusted								
	Weekly average 1971=100						Thousands[1]	£ million	
	Value of retail sales[2]	Volume of retail sales[2]						Hire purchase and other credit[3]	
	Total[4] §	Total[4] §	Food shops[4] §	Clothing and footwear shops §	Durable goods shops §	Other non-food shops §	New registrations of cars §	New credit extended	Implied change in debt outstanding
Sales in 1971 £ million	*16,296*	*16,296*	*6,866*	*2,436*	*1,897*	*5,097*			
1968	79·3	95·7	98·9	93	89	95	93·1	1,637	+ 56
1969	84·0	96·2	100·5	93	87	95	82·3	1,584	− 11
1970	91·0	98·4	101·1	97	91	98	91·4	1,767	+ 92
1971	100·0	100·0	100·0	100	100	100	108·5	2,036	+251
1972	112·0	105·3	101·6	104	113	108	138·6	2,466	+438
1973	126·9	110·3	101·6	108	127	117	137·1	2,846	+444
1974	146·7	109·0	102·4	106	122	115	102·8	2,508	−164
1975	174·4	106·7	100·0	108	119	111	97·2	2,981	− 13
1976	200·1	106·5	98·7	106	122	111	104·7	3,586	+343
1977	228·0	103·6	94·8	105	119	109	107·1	4,392	+625
1978	260·1	109·2	98·0	114	130	114	130·1	6,021	+1,206
1975 *1*	165·2	109·5	101·7	109	126	114	103·0	710	− 6
2	175·0	108·5	99·9	106	130	113	94·0	752	+ 9
3	176·6	104·3	98·9	105	110	109	102·0	749	− 9
4	181·5	104·2	99·3	103	110	109	89·9	770	− 7
1976 *1*	189·6	105·9	99·5	105	117	111	100·7	833	+ 37
2	196·0	106·7	99·4	106	122	111	107·1	872	+ 79
3	203·2	107·2	99·1	106	125	112	95·5	913	+100
4	211·6	106·1	96·8	105	126	112	115·3	968	+127
1977 *1*	216·7	103·3	94·9	105	115	109	101·6	1,007	+144
2	222·0	102·4	94·4	101	118	108	103·6	1,100	+203
3	233·7	104·2	94·3	107	121	110	110·3	1,219	+262
4	239·6	104·7	95·6	109	122	109	112·8	1,292	+254
1978 *1*	246·4	106·4	96·6	111	124	111	128·2	1,372	+355
2	254·4	107·9	97·8	111	129	113	132·9	1,506	+375
3	266·6	110·7	98·1	117	134	116	132·5	1,559	+266
4	273·0	111·7	99·4	119	134	116	126·8	1,584	+210
1979 *1*	276·4	110·3	99·9	116	131	114	131·4	1,583	+217
2	297·3	116·7	102·4	121	153	121	179·3	1,868	+401
3	300·5	110·1	99·5	116	131	113	107·8	1,879	+320
4									
1978 *J*	265·0	111·0	98·2	116	137	116	111·3	506	+ 76
A	269·2	111·7	97·8	121	133	118	142·4	535	+105
S	265·9	109·6	98·2	115	133	114	144·0	518	+ 85
O	267·9	110·2	98·3	115	132	116	133·3	515	+ 68
N	269·7	110·5	98·6	115	132	116	126·3	568	+103
D	279·8	113·8	100·9	126	137	117	120·9	501	+ 39
1979 *J*	273·1	109·6	103·6	109	127	111	121·1	525	+ 67
F	275·4	110·4	97·0	117	137	116	117·0	532	+ 91
M	279·8	110·8	99·3	120	129	115	156·0	526	+ 59
A	290·6	115·4	101·6	124	144	119	157·9	566	+ 72
M	289·2	113·5	101·5	116	144	117	171·6	622	+130
J	309·3	120·3	103·7	122	166	125	208·4	680	+199
J	294·4	108·7	99·6	112	129	112	86·9	630	+112
A	304·3	111·5	99·3	122	131	116	122·7	634	+100
S	302·3	110·0	99·6	114	134	113	113·8	616	+109
O	309·5	111·4	99·6	118	132	117	138·0	663†	+ 97†
N	317·3	113·8	100·7	125	136	118	144·5	691	+146
D									

[1] Monthly averages. [2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1975 is exceptionally a five-week period. Further details are given in the technical note to the retail sales figures on page 716 of *Trade and Industry*, 14 March 1975.

[3] Credit extended by and repaid to finance houses, other specialist consumer credit grantors and retailers, i.e. durable goods shops, department stores (including co-operative societies), other general stores and general mail order houses. There is a break in the series between the first and second quarters of 1977 due to a change in coverage. Up to the first quarter of 1977 the series excludes 'other consumer credit grantors' but includes charges for credit. From the second quarter of 1977 charges for credit are excluded but 'other specialist consumer credit grantors' are included. For further details see *Trade and Industry*, 12 April 1979.

[4] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.


Volume of retail sales Weekly average 1971 =100, seasonally adjusted
Durable goods shops
Total
(Monthly figures)
New registrations of cars Thousands, seasonally adjusted
Monthly rate
(Monthly figures)
Change in hire purchase debt and other credit £ million, seasonally adjusted
Monthly rate
(Monthly figures)
1974
1975
1976
1977
1978
1979

Shares of income and expenditure

Seasonally adjusted

	£ million	Per cent						£ million	Per cent		
		Percentage share of total final expenditure							Percentage share of total domestic income		
	Total final expenditure (current market prices)	Consumers' expenditure	General government consumption	Gross fixed investment: General government	Gross fixed investment: Public corporations	Gross fixed investment: Private sector	Exports	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1], [2]
1970	62,114	51·1	14·4	3·9	2·7	8·6	18·6	44,837	67·8	13·2	19·0
1971	69,409	51·2	14·7	3·7	2·7	8·8	18·7	49,841	67·2	13·4	19·4
1972	77,013	52·0	15·1	3·5	2·3	9·2	17·7	56,283	66·9	13·2	19·9
1973	91,811	49·5	14·5	4·0	2·3	9·2	18·8	66,131	65·5	13·5	21·0
1974	109,933	47·4	15·0	4·0	2·6	8·8	21·0	78,734	66·8	12·1	21·1
1975	132,967	47·9	17·3	3·7	3·0	8·7	20·4	98,143	69·7	10·3	20·0
1976	159,909†	46·1	16·7	3·4	2·9	8·5	22·0†	115,437	67·9	11·2	20·9
1977	184,202	45·7†	15·8	2·6	2·5	8·9	23·5	129,096	66·9	12·2	20·9
1978	206,800	46·4	15·8	2·1	2·4	9·6	22·8	145,177	67·6	11·7	20·6
1977 *1*	43,845	45·6	15·8	2·9	2·6	8·3	23·3	31,582	66·2	12·9	20·9
2	45,669	45·3	15·9	2·6	2·5	8·8	23·5	31,827	66·9	12·3	20·8
3	47,052	45·8	15·8	2·5	2·6	9·0	24·2	32,685	66·6	12·2	21·2
4	47,636	46·0	15·8†	2·4	2·5	9·4	23·1	33,002	68·0	11·3	20·7
1978 *1*	49,584	46·3	15·8	2·3	2·3	9·6	22·7	34,147	68·0	11·2	20·8
2	50,761	46·4	15·7	2·1	2·5	9·7	22·8	35,826	67·7	11·6	20·7
3	52,831	46·5	15·7	2·2	2·3	9·5	23·0	37,277	67·2	12·3	20·5
4	53,624	46·6	16·0	1·9	2·3	9·7	22·9	37,927	67·6	11·8	20·6
1979 *1*	54,245	47·6	16·0	2·1	2·4	9·3†	21·0	39,236†	67·5	12·3†	20·2†
2	59,022	47·1	15·4	2·0	2·2	9·0	23·5	41,724	66·6	13·9	19·5
3	60,930	46·5	16·0	2·3	2·3	8·9	23·3	43,644	67·1†	13·6	19·3
4											

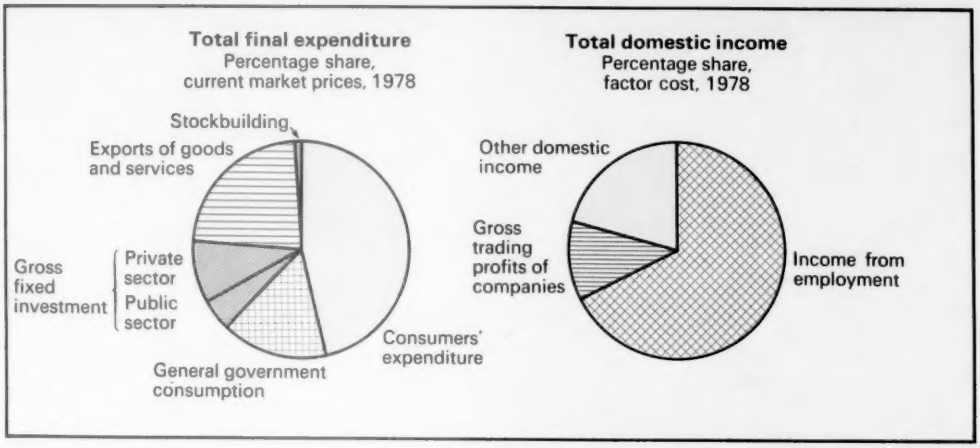
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.

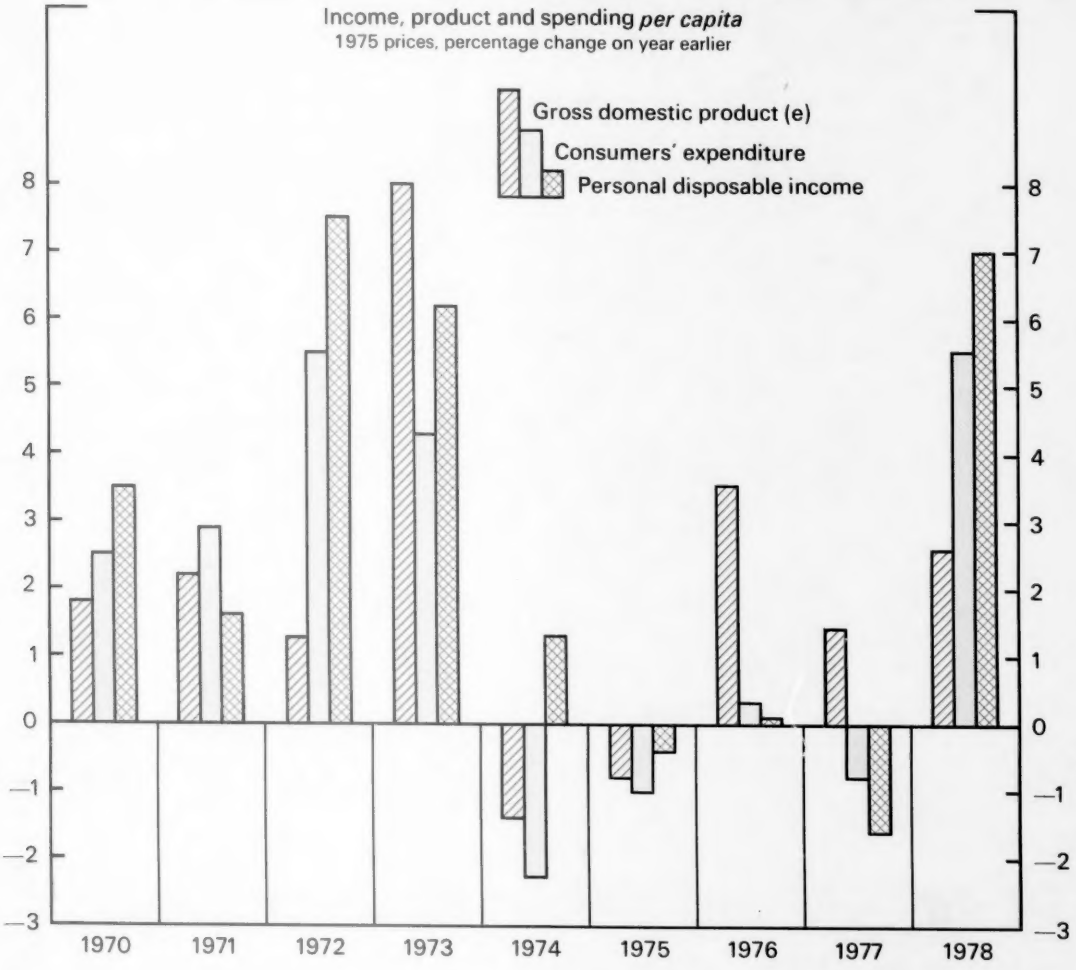
Income, product and spending *per capita*

Seasonally adjusted

	£, current prices				£, 1975 prices		
	Gross national product[1]	Gross domestic product[1], [2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1], [2]	Consumers' expenditure	Personal disposable income
1970	793	783	572	628	1,528	1,039	1,141
1971	896	887	637	691	1,563	1,069	1,159
1972	997	987	716	791	1,582	1,128	1,246
1973	1,168	1,146	812	913	1,708	1,177	1,323
1974	1,348	1,322	930	1,083	1,684	1,150	1,340
1975	1,684	1,670	1,138	1,335	1,670	1,138	1,335
1976	1,988†	1,965†	1,318	1,544	1,728†	1,141	1,336
1977	2,234	2,230	1,505	1,748	1,752	1,132	1,315
1978	2,549	2,534	1,719†	2,027†	1,798	1,194	1,407†
1976 *1*	472†	467†	312	370	430†	284	336
2	485	479	322	376	426	285	333
3	505	499	333	397	433	285	339
4	526	520	351	401	439	287	328
1977 *1*	531	529	357	417	432	281	329
2	547	547	370	424	436	281	321
3	571	570	385	442	438	284	326
4	585	584	393	465	446	286	339
1978 *1*	610	608	411	473	444	294	338†
2	625	620	422	498	448	296	349
3	652	647	439†	521	452	302	358
4	662	659	447	535†	454	302	362
1979 *1*	654	650	462	550	441	305†	364
2	702	703	498	574	452	318	367
3	720	721	507	610	444	305	368
4							

[1] At factor cost.
[2] Based on expenditure data.


Total final expenditure
Percentage share, current market prices, 1978
Stockbuilding
Exports of goods and services
Gross fixed investment
Private sector
Public sector
Consumers' expenditure
General government consumption
Total domestic income
Percentage share, factor cost, 1978
Other domestic income
Gross trading profits of companies
Income from employment


Income, product and spending *per capita*
1975 prices, percentage change on year earlier
Gross domestic product (e)
Consumers' expenditure
Personal disposable income
8
7
6
5
4
3
2
1
0
—1
—2
—3
1970
1971
1972
1973
1974
1975
1976
1977
1978

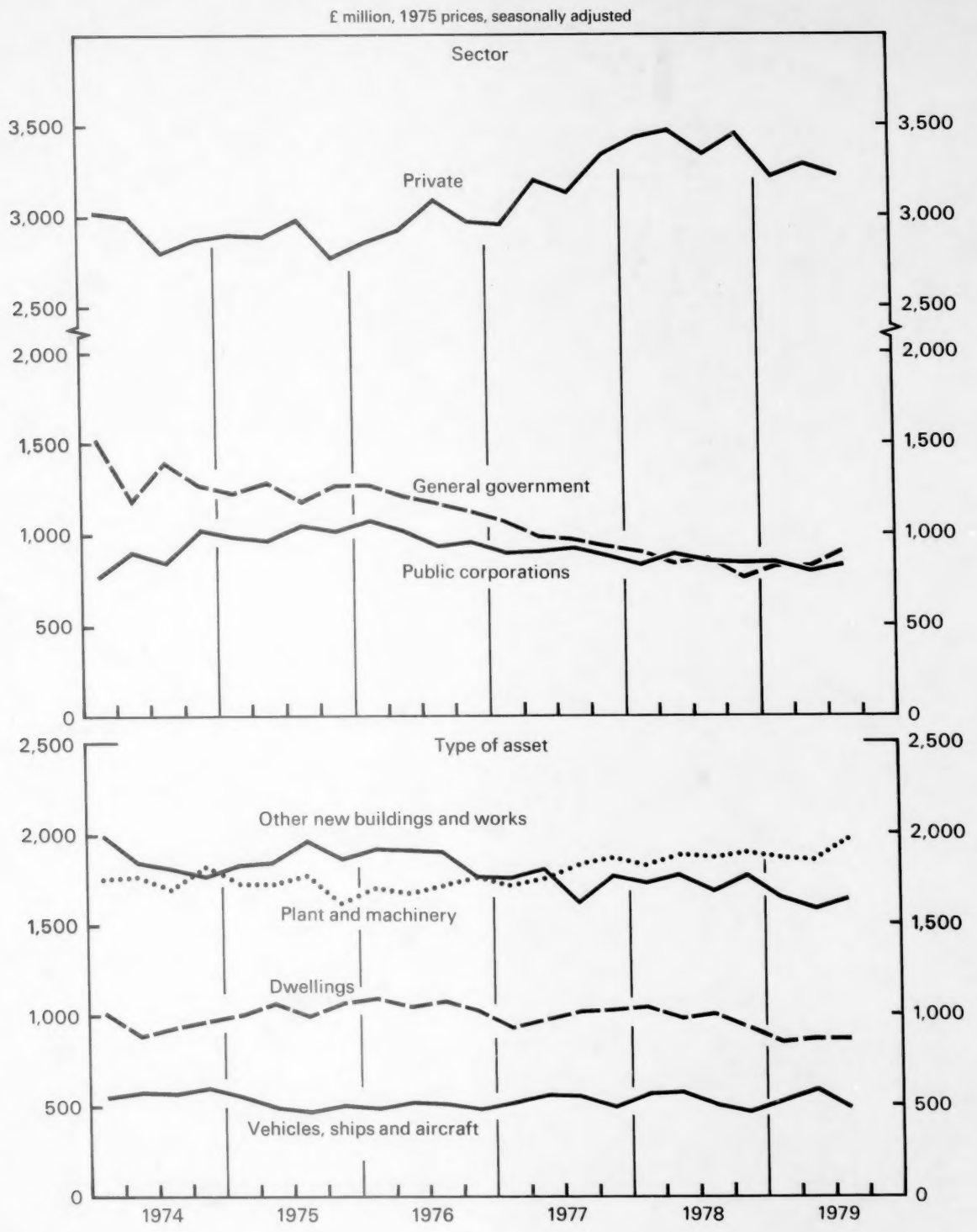
Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1975 prices[1]

	Sector[2]				Type of asset					
					Dwellings					
						of which:				
	Total §	Private sector	General government	Public corporations	Total	Private	Public	Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
1968	18,852	9,815	5,446	3,604	4,379	2,341	2,134	7,243	1,722	5,894
1969	18,924	10,428	5,352	3,156	4,187	2,187	2,087	7,339	1,692	6,074
1970	19,425	10,704	5,444	3,281	3,850	2,047	1,879	7,661	1,816	6,384
1971	19,735	11,150	5,265	3,299	4,091	2,440	1,733	7,795	1,879	6,282
1972	19,767	11,782	5,045	2,904	4,309	2,745	1,609	7,687	2,145	6,023
1973	21,111	12,226	5,757	3,128	4,152	2,449	1,703	7,793	2,412	6,754
1974	20,636	11,715	5,365	3,556	3,826	2,004	1,822	7,424	2,326	7,060
1975	20,545	11,545	4,974	4,026	4,146	2,182	1,964	7,513	2,023	6,863
1976	20,623	11,832	4,795	3,996	4,260	2,177	2,083	7,492	2,011	6,860
1977	20,187	12,601	3,970	3,616	3,953	2,021	1,932	6,951	2,132	7,151
1978	20,485	13,687	3,370	3,428	3,958	2,256	1,702	6,953	2,103	7,471
1974 *1*	5,333	3,034	1,524	775	1,020	564	456	1,998	558	1,757
2	5,086	3,007	1,170	909	890	487	403	1,849	583	1,764
3	5,042	2,797	1,401	844	941	440	501	1,812	577	1,712
4	5,175	2,877	1,270	1,028	975	513	462	1,765	608	1,827
1975 *1*	5,126	2,902	1,231	993	1,005	534	471	1,834	552	1,735
2	5,152	2,891	1,296	965	1,074	565	509	1,848	495	1,735
3	5,213	2,985	1,176	1,052	994	545	449	1,973	472	1,774
4	5,054	2,767	1,271	1,016	1,073	538	535	1,858	504	1,619
1976 *1*	5,209	2,853	1,277	1,079	1,099	560	539	1,916	491	1,703
2	5,152	2,920	1,215	1,017	1,046	532	514	1,909	519	1,678
3	5,211	3,098	1,172	941	1,079	566	513	1,902	515	1,715
4	5,051	2,961	1,131	959	1,036	519	517	1,765	486	1,764
1977 *1*	4,921	2,949	1,072	900	937	428	509	1,754	516	1,714
2	5,099	3,200	990	909	980	505	475	1,810	562	1,747
3	5,019	3,117	973	929	1,015	536	479	1,618	555	1,831
4	5,148	3,335	935	878	1,021	552	469	1,769	499	1,859
1978 *1*	5,166	3,428	905	833	1,042	603	439	1,732	565	1,827
2	5,205	3,466	841	898	980	575	405	1,771	574	1,880
3	5,054	3,333	868	853	1,001	536	465	1,682	502	1,869
4	5,060	3,460	756	844	935	542	393	1,768	462	1,895
1979 *1*	4,873†	3,211†	815†	847†	847†	451†	396	1,650†	518†	1,858†
2	4,884	3,282	808	794	863	488	375†	1,579	591	1,851
3	4,955	3,220	903	832	861	454	407	1,640	493	1,961
	Percentage change, quarter on corresponding quarter of previous year									
1976 *1*	*+ 1·6*	*− 1·7*	*+ 3·7*	*+ 8·7*	*+ 9·4*	*+ 4·9*	*+14·4*	*+ 4·5*	*−11·1*	*− 1·8*
2	*—*	*+ 1·0*	*− 6·2*	*+ 5·4*	*− 2·6*	*− 5·8*	*+ 1·0*	*+ 3·3*	*+ 4·8*	*− 3·3*
3	*—*	*+ 3·8*	*− 0·3*	*−10·5*	*+ 8·6*	*+ 3·9*	*+14·3*	*− 3·6*	*+ 9·1*	*− 3·3*
4	*− 0·1*	*+ 7·0*	*−11·0*	*− 5·6*	*− 3·4*	*− 3·5*	*− 3·4*	*− 5·0*	*− 3·6*	*+ 9·0*
1977 *1*	*− 5·5*	*+ 3·4*	*−16·1*	*−16·6*	*−14·7*	*− 5·7*	*− 5·6*	*− 8·5*	*+ 5·1*	*+ 0·6*
2	*− 1·0*	*+ 9·6*	*−18·5*	*−10·6*	*− 6·3*	*− 5·1*	*− 7·6*	*− 5·2*	*+ 8·3*	*+ 4·1*
3	*− 3·7*	*+ 0·6*	*−17·0*	*− 1·3*	*− 5·9*	*− 5·3*	*− 6·6*	*−14·9*	*+ 7·8*	*+ 6·8*
4	*+ 1·9*	*+12·6*	*−17·3*	*− 8·4*	*− 1·4*	*+ 6·4*	*− 9·3*	*+ 0·2*	*+ 2·7*	*+ 5·4*
1978 *1*	*+ 5·0*	*+16·2*	*−15·6*	*− 7·4*	*+11·2*	*+40·9*	*−13·8*	*− 1·3*	*+ 9·5*	*+ 6·6*
2	*+ 2·1*	*+ 8·3*	*−15·1*	*− 1·2*	*—*	*+13·9*	*−14·7*	*− 2·2*	*+ 2·1*	*+ 7·6*
3	*+ 0·7*	*+ 6·9*	*−10·8*	*− 8·2*	*− 1·4*	*—*	*− 2·9*	*+ 4·0*	*− 9·5*	*+ 2·1*
4	*− 1·7*	*+ 3·7*	*−19·1*	*− 3·9*	*− 8·4*	*− 1·8*	*−16·2*	*− 0·1*	*− 7·4*	*+ 1·9*
1979 *1*	*− 5·7*	*− 6·3*	*− 9·9*	*+ 1·7*	*−18·7*	*−25·2*	*− 9·8*	*− 4·7*	*− 8·3*	*+ 1·7*
2	*− 6·2*	*− 5·3*	*− 3·9*	*−11·6*	*−11·9*	*−15·1*	*− 7·4*	*−10·8*	*+ 3·0*	*− 1·5*
3	*− 2·0*	*− 3·4*	*+ 4·0*	*− 2·5*	*−14·0*	*−15·3*	*−12·5*	*− 2·5*	*− 1·8*	*+ 4·9*

[1] For the years prior to 1973, totals may not equal the sum of their components, due to the method used in rebasing to 1975 prices.
[2] Including purchases *less* sales of land and existing buildings. [3] Including transfer costs of land and buildings.


£ million, 1975 prices, seasonally adjusted
Sector
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Private
General government
Public corporations
Type of asset
Other new buildings and works
Plant and machinery
Dwellings
Vehicles, ships and aircraft
1974
1975
1976
1977
1978
1979

Indicators of fixed investment by manufacturing industry

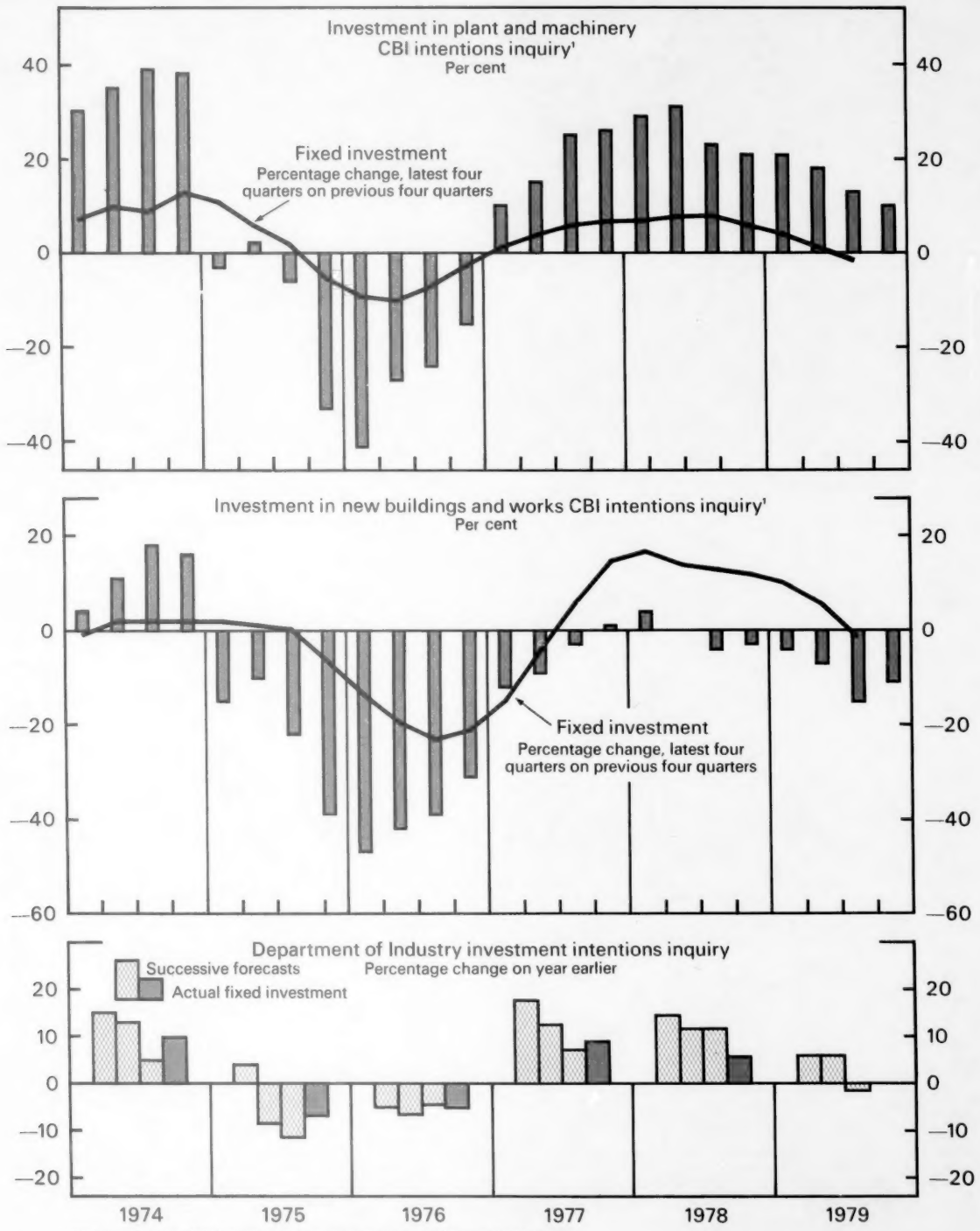
	Gross fixed investment in manufacturing industry							New orders received by contractors for private industrial work (GB)
	Total§	Plant and machinery			New building and works			
		Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
	£ million, 1975 prices, seasonally adjusted	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted
1968	3,622·9	2,568·9	+ *7*	..	842·0	+ *5*	..	1,368
1969	3,877·0	2,679·5	+ *4*	..	973·6	+*16*	..	1,507
1970	4,177·0	2,974·2	+*11*	..	980·8	+ *1*	..	1,410
1971	3,897·7	2,795·3	− *6*	..	880·4	−*10*	..	1,012
1972	3,370·4	2,420·4	−*13*	..	710·6	−*19*	..	1,003
1973	3,439·8	2,505·3	+ *4*	..	674·4	− *5*	..	1,287
1974	3,781·8	2,821·3	+*13*	..	686·9	+ *2*	..	1,076
1975	3,521·9	2,682·1	− *5*	..	639·9	− *7*	..	684
1976	3,341·3	2,598·0	− *3*	..	503·8	−*21*	..	797
1977	3,637·0	2,771·2	+ *7*	..	581·8	+*15*	..	958
1978	3,852·6	2,936·3	+ *6*	..	651·5	+*12*	..	1,001
1974 *3*	938·9	700·1	+ *7*	− 6	169·0	− *3*	−22	274
4	969·0	726·4	+*19*	−33	176·4	+ *5*	−39	262
1975 *1*	946·0	715·2	+ *3*	−41	176·6	+ *3*	−47	209
2	902·3	687·7	− *2*	−27	167·2	− *1*	−42	164
3	846·8	643·5	− *8*	−24	155·7	− *8*	−39	183
4	826·8	635·7	−*12*	−15	140·4	−*20*	−31	128
1976 *1*	819·2	631·4	−*12*	10	134·0	−*24*	−12	180
2	827·6	644·4	− *6*	15	122·9	−*26*	− 9	194
3	844·4	658·1	+ *2*	25	124·6	−*20*	− 3	193
4	850·1	664·1	+ *4*	26	122·3	−*13*	1	229
1977 *1*	876·4	667·1	+ *6*	29	139·9	+ *4*	4	213
2	898·3	680·2	+ *6*	31	144·2	+*17*	—	259
3	918·8	702·7	+ *7*	23	147·6	+*18*	− 4	242
4	943·5	721·2	+ *9*	21	150·1	+*23*	− 3	244
1978 *1*	945·7	723·3	+ *8*	21	152·2	+ *9*	− 4	269
2	969·8	745·5	+*10*	18	155·8	+ *8*	− 7	261
3	965·7	728·5	+ *4*	13	169·0	+*14*	−15	257
4	971·4	739·0	+ *2*	10	174·5	+*16*	−11	215
1979 *1*	951·8	730·6	+ *1*	12	157·1	+ *3*	− 7	231
2	928·1	713·2	− *4*	12	140·8	−*10*	− 6	276
3	939·8	719·8	− *1*	8	149·0	−*12*	− 9	253[2]†
4				−9			−20	

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
[2] Provisional.

Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms			
	Gross fixed investment			
	First forecast	Second forecast	Third forecast	Actual
1970	about +10	about +10	about +2 or +3	+ 7·7
1971	no large change	about −2	about −6 to −8	− 6·7
1972	little change, perhaps a rise	about −3	−7	−13·5
1973	+2 to +5	+2 to +5	+6	+ 2·1
1974	strong increase about +15	some +12 to +14	about +5	+ 9·9
1975	less than +5	−7 to −10	about −11 or −12	− 6·9
1976	of the order of −5	−5 to −8	−4 to −5	− 5·1
1977	between +15 and +20	+10 to +15	+7	+ 8·8
1978	between +12 and +17	+10 to +13	+10 to +13	+ 5·9
1979	+4 to +8	+4 to +8	no change to −3	
1980	fall up to −7	−6 to −10		

[1] For each year the first inquiry is held in the preceding summer, the second at the end of the previous year and the third in the summer of the yea concerned. (In addition, the inquiry at the end of the year seeks preliminary information in respect of the second year ahead and another survey in the spring of each year updates the intentions for both years covered by this inquiry; these inquiries are not included in the table.) An article, 'Investment intentions survey: a 10 year review', was published in *Trade and Industry* for 27 October 1978. In this article the table is expanded to include all the inquiries for manufacturing industry, and a similar table is included for the inquiries into the distributive and service industries.

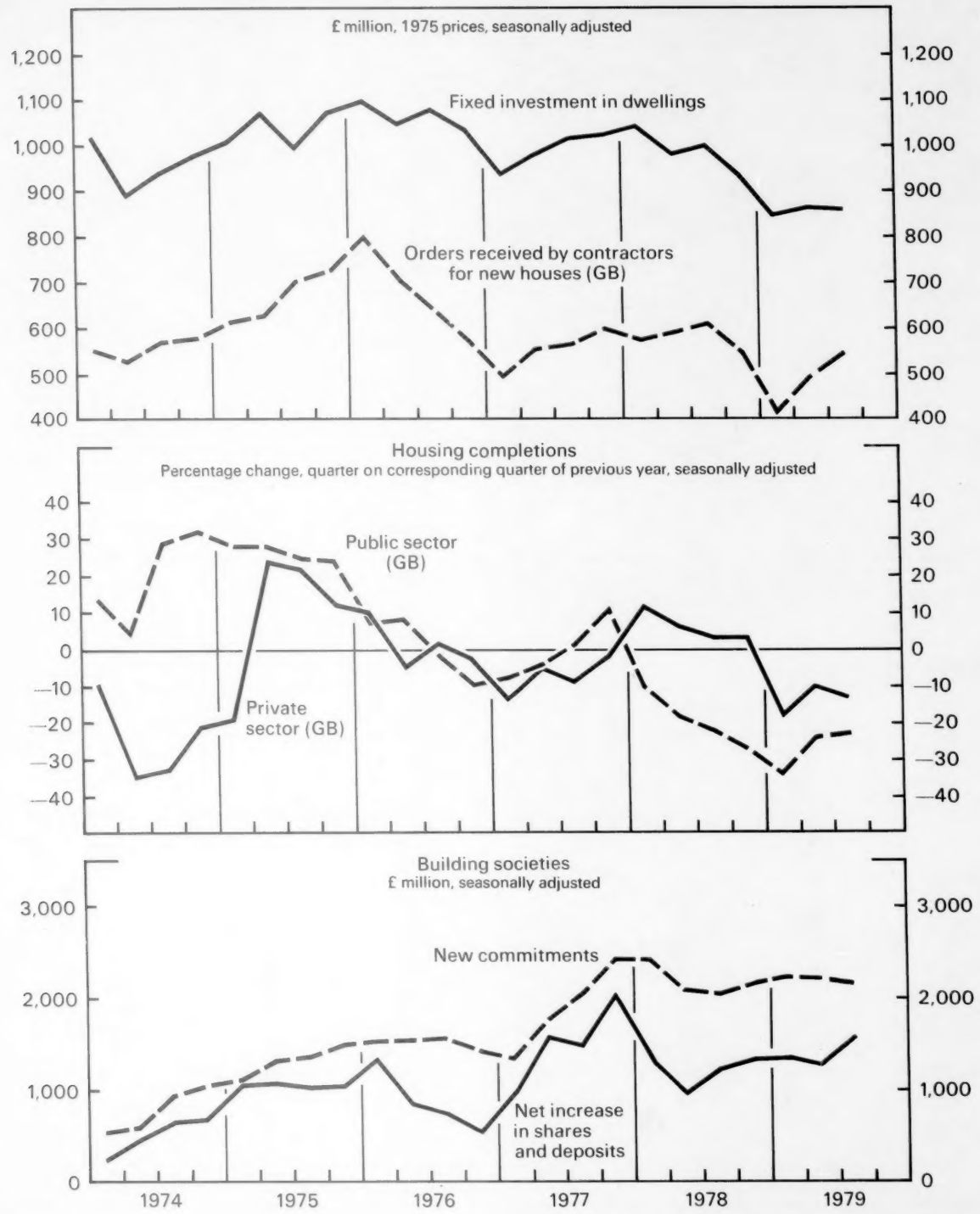


[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment.

Indicators of fixed investment in dwellings

		Seasonally adjusted								Unadjusted
		£ million, 1975 prices		Thousands				£ million		1975 = 100
		Fixed investment in dwellings	Orders received by contractors for new houses (GB)	Housing starts (GB) §		Housing completions (GB) §		Building Societies Association		Average price of new dwellings: mortgages approved[1]
				Private sector	Public sector	Private sector	Public sector	New commitments for mortgages	Net increase in shares and deposits	
1969		4,187	3,064	166·8	176·6	181·7	185·1	1,580	895	39·3
1970		3,850	3,093	165·1	153·8	170·3	180·1	2,188	1,490	41·8
1971		4,091	3,147	207·4	136·9	191·6	158·9	3,013	2,034	48·1
1972		4,309	3,507	228·0	123·0	196·5	122·8	3,802	2,193	63·3
1973		4,152	3,320	215·7	112·8	186·6	107·5	3,254	2,162	86·2
1974		3,826	2,224	105·9	146·1	140·9	128·6	3,115	1,993	91·4
1975		4,146	2,663	149·1	173·8	150·8	162·3	5,302	4,172	100·0[2]
1976		4,260	2,712	154·7	170·8	152·2	163·0	6,089	3,405	108·4
1977		3,953	2,214	134·8	132·1	140·3	162·5	7,524	6,099	119·0
1978		3,958	2,311	157·3	107·4	148·6	130·7	8,710	4,822	142·6
1979								8,872	5,564	
1974	*3*	941	568	22·5	36·5	30·9	33·9	931	634	92·3
	4	975	578	23·8	35·8	33·8	34·4	1,053	685	92·6
1975	*1*	1,005	610	33·1	41·4	35·8	37·8	1,119	1,054	95·3
	2	1,074	625	37·4	37·8	39·6	39·3	1,311	1,085	100·0
	3	994	702	38·0	43·9	37·6	42·5	1,373	1,012	102·1
	4	1,073	726	40·6	50·7	37·8	42·7	1,499	1,021	102·7
1976	*1*	1,099	801	42·0	49·8	39·4	40·6	1,537	1,341	104·3
	2	1,046	700	42·0	44·3	37·8	42·4	1,552	824	107·9
	3	1,079	640	39·3	44·3	38·3	41·5	1,581	727	110·3
	4	1,036	572	31·4	32·4	36·7	38·5	1,419	513	111·5
1977	*1*	937	494	29·9	30·3	33·7	37·5	1,337	963	112·7
	2	980	558	34·7	32·7	35·8	40·3	1,743	1,599	116·6
	3	1,015	563	35·3	34·6	34·8	41·8	2,018	1,487	120·5
	4	1,021	600	34·9	34·5	36·0	42·9	2,426	2,050	124·5
1978	*1*	1,042	571	35·5	27·2	37·8	33·8	2,419	1,310	130·5
	2	980	587	39·6	30·0	37·9	33·1	2,091	969	138·0
	3	1,001	610	38·3	26·0	35·8	32·4	2,035	1,207	148·2
	4	935	542	43·9	24·2	37·1	31·4	2,165	1,336	157·6
1979	*1*	847†	411	26·7	17·3	30·6	22·2	2,239	1,320	166·1
	2	863	494	35·0	21·1	34·1	25·2	2,226	1,227	178·2
	3	861	546[3]†	37·3	20·7	31·1	25·0	2,179	1,525	190·6
	4							2,228	1,492	
1978	*A*	..	188	12·9	10·3	12·4	11·0	734	319	135·8
	M	..	207	12·1	9·8	12·4	11·2	698	300	136·9
	J	..	193	14·6	9·9	13·1	10·9	659	350	141·5
	J	..	191	11·8	9·5	12·5	12·0	655	389	144·7
	A	..	215	11·6	8·0	11·4	10·2	683	381	148·7
	S	..	204	14·9	8·5	11·9	10·2	697	437	151·2
	O	..	189	14·5	8·7	12·2	10·3	709	429	154·7
	N	..	193	14·1	7·5	11·5	10·5	706	432	157·4
	D	..	160	15·3	8·0	13·4	19·6	750	475	161·2
1979	*J*	..	123	7·4	4·8	10·2	6·9	774	510	162·2
	F	..	150	10·4	5·8	10·9	7·6	742	367	167·0
	M	..	138	8·9	6·7	9·5	7·7	723	443	168·8
	A	..	147	10·5	7·2	10·8	8·3	734	372	173·9
	M	..	179	11·2	6·2	11·2	8·2	763	453	179·4
	J	..	168	13·3	7·7	12·1	8·7	729	402	181·5†
	J	..	196	12·3	7·4	10·2	8·5	733	442	186·4
	A	..	182†	10·8	6·9	9·4	7·9	740	523	192·7
	S	..	166[3]	14·2	6·4	11·5	8·6	706	560	193·3
	O	..	169[3]	13·2	5·7	11·2	9·2	797	652	199·1
	N	..		13·2	6·7	12·6	9·6	724	339	202·6
	D	..						707	501	

[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.
[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.
[3] Provisional.


£ million, 1975 prices, seasonally adjusted
1,200
1,100
1,000
900
800
700
600
500
400
Fixed investment in dwellings
Orders received by contractors for new houses (GB)
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted
40
30
20
10
0
—10
—20
—30
—40
Public sector (GB)
Private sector (GB)
Building societies
£ million, seasonally adjusted
3,000
2,000
1,000
0
New commitments
Net increase in shares and deposits
1974
1975
1976
1977
1978
1979

Stock changes

Seasonally adjusted

£ million, 1975 prices

	All industries	Manufacturing[1]				Distribution			Other industries
		Total	Materials and fuels	Work in progress	Finished goods	Total	Retail	Wholesale	
Value of stocks and work in progress end-December 1978[2]	37,261	20,084	7,107	7,474	5,503	8,496	3,825	4,671	8,681
1974 *3*	809	662	250	137	276	− 33	− 91	58	180
4	42	71	− 50	− 43	163	− 34	− 96	62	5
1975 *1*	−560	−258	−351	− 16	110	−207	−109	− 98	− 95
2	−394	−187	−136	− 40	− 12	−190	− 93	− 97	− 17
3	−346	−390	−295	− 62	− 33	− 2	51	− 53	46
4	−177	−285	−140	− 94	− 51	46	45	1	62
1976 *1*	−110	− 46	−100	31	21	68	48	20	−132
2	−107	− 70	− 73	32	− 29	− 8	− 11	3	− 29
3	261	163	72	84	7	176	106	70	− 78
4	392	304	15	118	171	114	76	38	− 26
1977 *1*	482	251	92	136	23	212	109	103	19
2	440	199	− 11	20	190	252	16	236	− 11
3	23	4	− 19	− 23	46	− 83	− 43	− 40	102
4	272	55	− 45	82	18	79	− 34	113	138
1978 *1*	390	112	6	63	43	79	45	34	199
2	229	137	− 13	76	74	97	145	− 48	− 5
3	346	169	4	125	40	99	78	21	78
4	164	129	5	172	− 48	74	96	− 22	− 39
1979 *1*	729†	53	− 29	− 16	98	142	61	81	534†
2	222	149†	106†	89†	− 46†	222†	64	158†	−149
3	254	185	48	1	137	22	96	− 74	47
4									

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

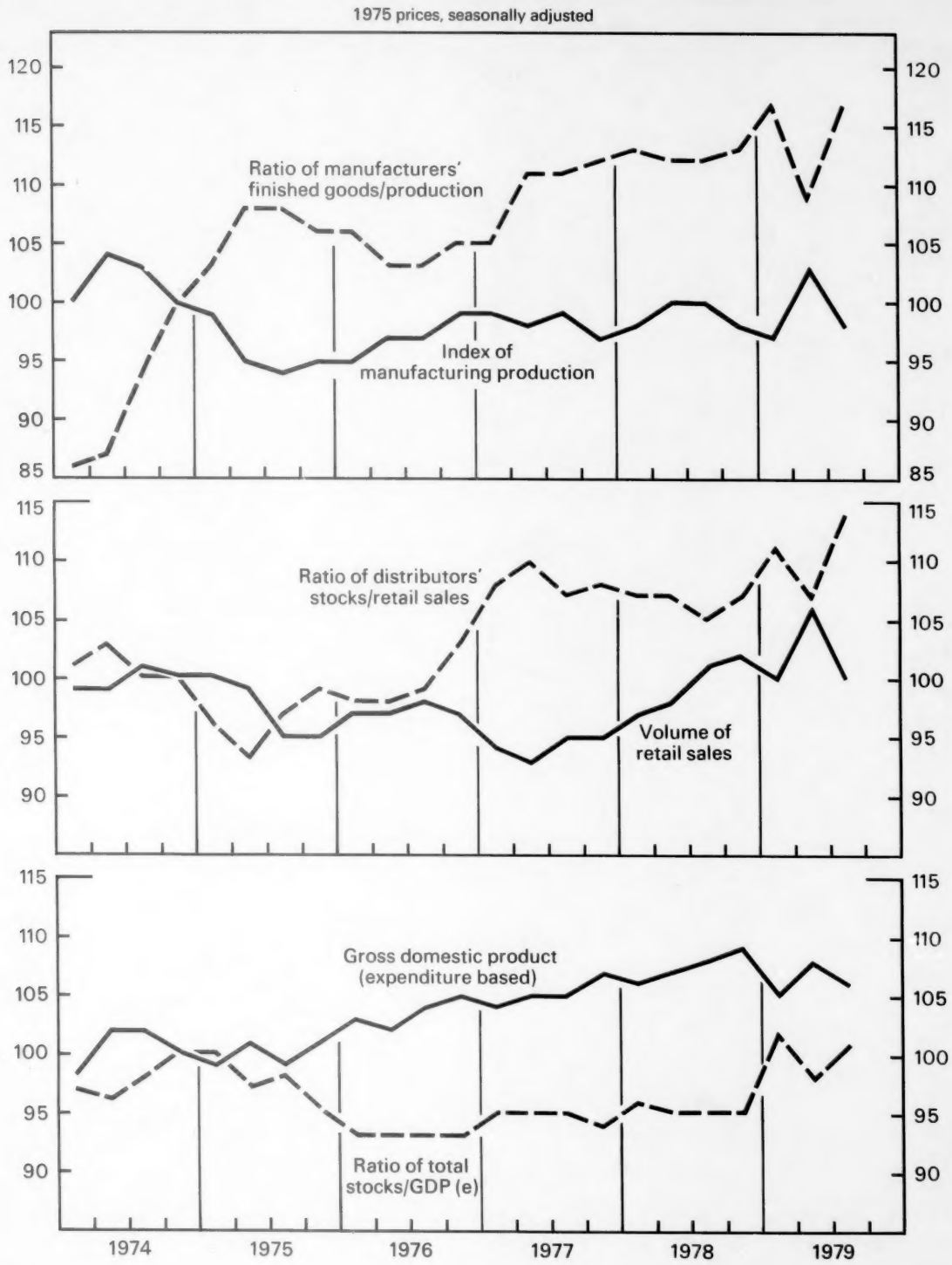
[2] Unadjusted 1975 price stock levels.

Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (e), industrial production and retail sales, 4th quarter 1974=100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1974 *3*	98	97	98	98	94	100
4	100	100	100	100	100	100
1975 *1*	100	100	96	101	103	96
2	97	103	99	105	108	93
3	98	102	96	105	108	97
4	95	100	94	102	106	99
1976 *1*	93	99	92	103	106	98
2	93	97	89	101	103	98
3	93	97	90	102	103	99
4	93	97	89	102	105	103
1977 *1*	95	98	89	103	105	108
2	95	101	91	105	111	110
3	95	100	90	105	111	107
4	94	101	90	107	112	108
1978 *1*	96	102	90	107	113	107
2	95	100	88	106	112	107
3	95	101	88	108	112	105
4	95	103	89	112	113	107
1979 *1*	102†	105†	90	113	117	111
2	98	100	86	108	109	107†
3	101	105	91	113	117	114
4						

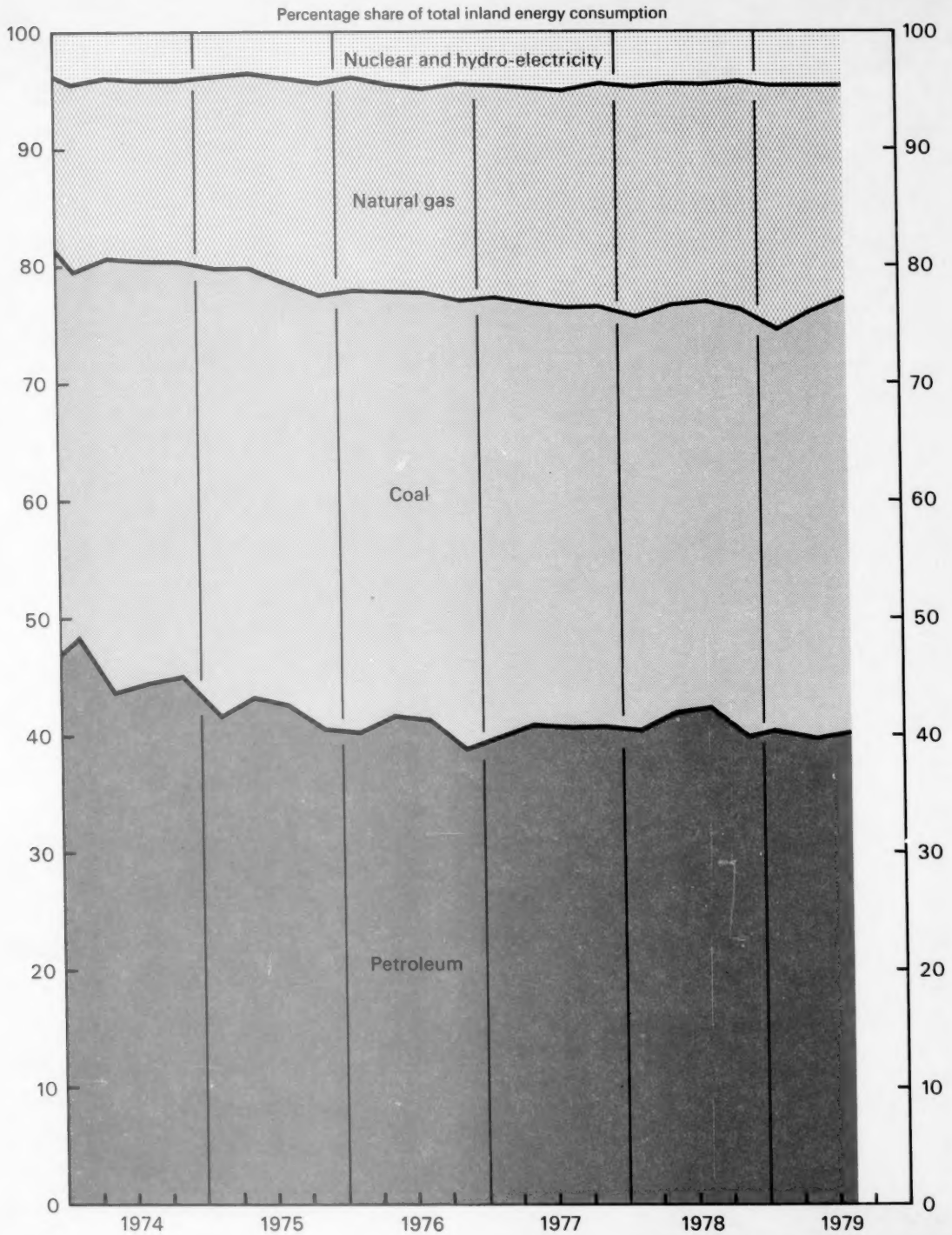

1975 prices, seasonally adjusted
120
115
110
105
100
95
90
85
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Ratio of distributors' stocks/retail sales
Volume of retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP (e)
1974
1975
1976
1977
1978
1979

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

	Primary fuel input[1]						Public supply	
	Million tonnes of coal or coal equivalent						Thousand million kilowatt hours	Thousand million therms
	Total	Coal[2]	Petroleum[3]	Natural gas[4]	Nuclear electricity[5]	Hydro electricity[5]	Electricity available (GB)[6]	Gas available (GB)[7]
1967	303·2	166·3	123·1	2·1	9·0	2·7	177·8	4·37
1968	312·9	166·7	129·2	4·8	10·2	2·0	193·6	4·88
1969	323·0	162·8	138·4	9·4	10·7	1·7	200·5	5·40
1970	336·3	156·8	149·8	17·8	9·5	2·4	211·6	6·30
1971	332·9	140·0	152·4	28·8	9·9	1·8	215·9	8·25
1972	337·4	121·8	162·2	41·0	10·6	1·8	224·1	10·82
1973	354·2	133·2	164·5	44·4	10·1	2·0	241·0	12·04
1974	337·9	117·7	153·1	52·9	12·1	2·1	235·5	13·53
1975	326·9	120·6	137·1	56·3	10·9	2·0	234·2	13·90
1976	331·5	123·0	134·2	59·5	12·9	1·9	233·7	14·41
1977	338·2	122·4	136·8	62·7	14·3	2·0	240·2	15·42
1978	339·1	119·4	133·2	65·0	13·4	2·1	246·3	15·85
1974 *3*	350·9	125·9	155·8	54·9	12·3	2·0	244·2	13·66
4	346·9	122·0	156·3	54·1	12·1	2·4	244·3	13·78
1975 *1*	331·1	127·2	133·3	54·2	10·8	2·1	233·2	13·73
2	331·4	121·2	143·0	55·2	10·4	1·6	237·3	13·71
3	326·4	116·9	133·2	57·4	10·8	2·1	234·7	13·97
4	318·9	117·2	123·2	58·5	12·0	2·0	223·5	14·17
1976 *1*	332·5	125·5	133·3	60·4	10·9	1·9	230·9	14·27
2	334·6	120·8	133·5	59·2	12·5	2·6	240·4	14·38
3	330·9	120·5	133·7	57·6	14·6	1·5	244·3	14·48
4	328·0	125·2	123·3	61·0	13·4	1·6	231·4	14·53
1977 *1*	336·9	126·3	134·0	61·1	13·9	1·6	237·9	14·95
2	337·7	121·1	137·7	62·0	14·5	2·4	242·9	15·32
3	340·5	121·6	133·1	63·4	15·7	1·7	243·3	15·59
4	337·5	120·4	137·3	64·3	13·1	2·4	231·9	15·81
1978 *1*	331·4	116·7	133·4	64·9	14·6	1·8	237·3	15·79
2	341·2	118·7	142·9	64·2	13·3	2·1	248·1	15·69
3	338·3	117·2	143·6	62·4	13·2	1·9	253·9	15·79
4	343·4	125·2	136·7	66·5	12·5	2·5	245·7	16·15
1979 *1*	345·8	121·4	139·4	68·9	14·5	1·6	252·6	16·42
2	351·6	127·1	140·4	68·1	13·9	2·1	257·6	16·58
3	348·9	128·6	140·6	63·7	13·2	2·8	257·7	16·65
4								
	Percentage change, quarter on corresponding quarter of previous year							
1976 *3*	+ 1·4	+ 3·1	− 1·8	+ 0·3	+35·2	−23·3	+ 4·1	+ 3·5
4	+ 2·9	+ 6·8	− 1·9	+ 4·3	+11·7	−20·0	+ 1·3	+ 2·8
1977 *1*	+ 1·3	+ 0·6	—	+ 1·2	+27·5	−15·9	+ 3·0	+ 4·8
2	+ 0·9	+ 0·2	− 1·3	+ 4·7	+16·0	− 7·7	+ 1·0	+ 6·7
3	+ 2·9	+ 0·9	+ 1·0	+10·1	+ 7·5	+13·3	+ 1·6	+ 7·7
4	+ 2·9	− 3·8	+ 8·3	+ 5·4	− 2·2	+50·0	+ 0·2	+ 8·6
1978 *1*	− 1·6	− 7·6	− 0·5	+ 6·2	+ 5·0	+12·5	− 0·2	+ 5·6
2	+ 1·0	− 2·0	+ 3·8	+ 3·6	− 8·3	−12·5	+ 2·1	+ 2·3
3	− 0·7	− 3·6	+ 4·0	− 1·6	−15·9	+11·8	+ 2·3	+ 1·3
4	+ 1·7	+ 4·0	− 0·4	+ 3·4	− 4·6	+ 4·2	+ 6·0	+ 2·2
1979 *1*	+ 4·3	+ 4·0	+ 4·5	+ 6·2	− 0·7	−11·1	+ 6·4	+ 4·0
2	+ 3·0	+ 7·1	− 1·8	+ 6·1	+ 4·5	—	+ 3·8	+ 5·7
3	+ 3·1	+ 9·7	− 2·1	+ 2·1	—	+47·4	+ 1·5	+ 5·4
4								

[1] Converted to metric tonnes. Temperature correction has been introduced for natural gas. Details are given in *Energy Trends*, May 1978.
[2] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels
[3] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[4] Excluding gas flared or re-injected.
[5] Nuclear and hydro electricity are not temperature corrected.
[6] The inclusion of Northern Ireland would add about 2% to the total.
[7] The inclusion of Northern Ireland would add about 0·3% to the total.


Percentage share of total inland energy consumption
Nuclear and hydro-electricity
Natural gas
Coal
Petroleum
100
90
80
70
60
50
40
30
20
10
0
1974
1975
1976
1977
1978
1979

Index of industrial production

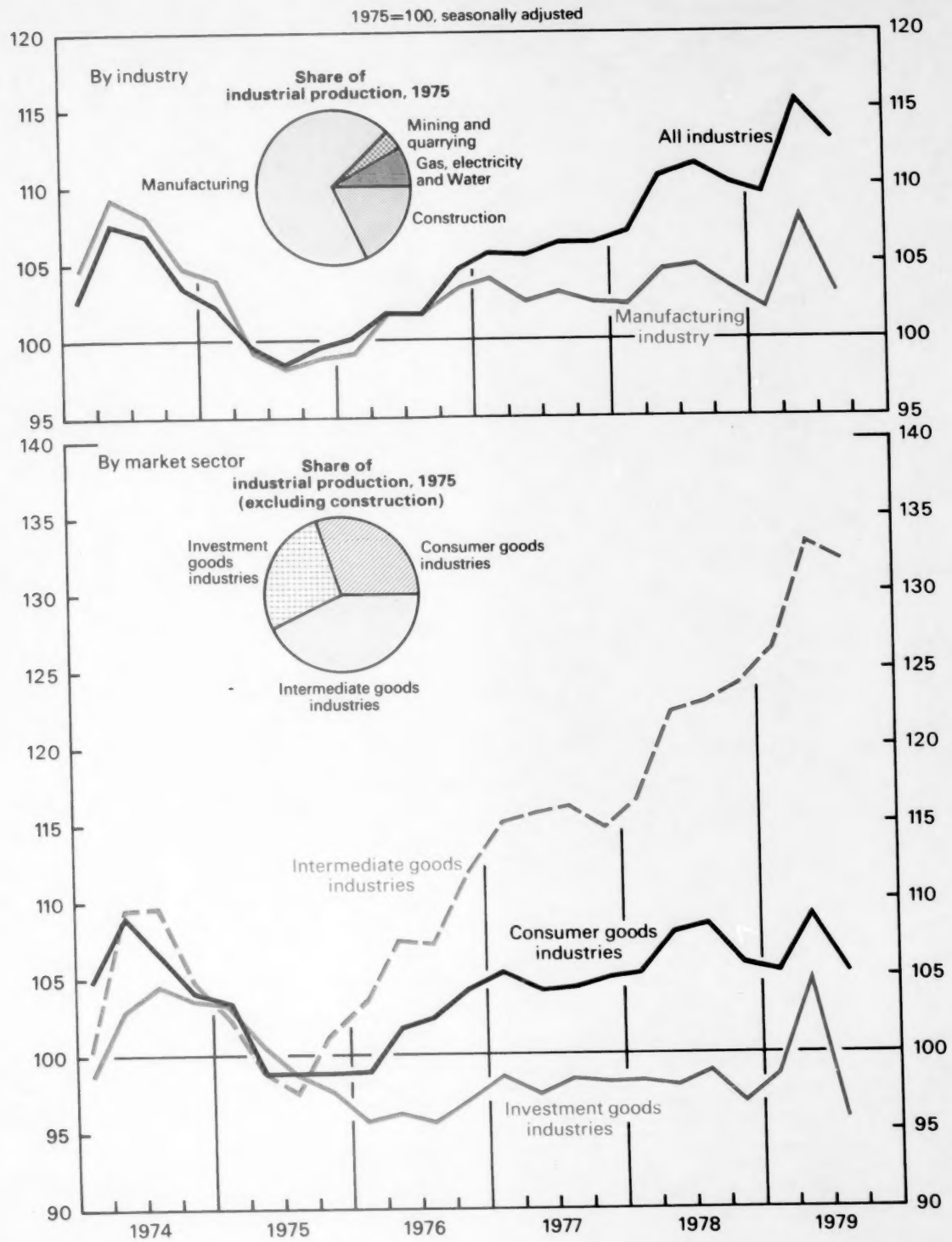
Seasonally adjusted

1975=100

		By industry				By market sector[1]		
	All industries covered §	Mining and quarrying	Manufacturing §	Construction[2]	Gas, electricity and water	Consumer goods industries	Investment goods industries	Intermediate goods industries
1975 weights	*1,000*	*41*	*697*	*182*	*80*	*243*	*218*	*349*
1968	97·0	132·4	94·1	114·4	77·0	86·9	90·6	100·7
1969	99·6	123·9	97·6	113·5	80·9	89·4	95·7	102·9
1970	99·7	119·1	98·0	111·4	84·1	91·0	95·6	102·9
1971	99·8	119·1	97·4	113·3	87·3	93·3	93·7	102·1
1972	102·0	100·2	100·0	115·4	93·6	99·9	91·2	104·1
1973	109·5	110·1	108·3	118·2	99·3	108·0	99·0	112·6
1974	105·1	89·9	106·5	105·8	99·2	106·1	102·1	106·1
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·2†	125·8	101·6†	98·6	102·9	101·9	96·8†	107·5
1977	106·0	187·7	103·0	98·4	107·1	104·7	98·6	115·4
1978	109·9	232·6†	103·7	105·5	110·2	106·9	98·5	121·4†
1974 *1*	102·7	59·2	104·6	109·9	92·0	104·9	97·8	100·3
2	107·5	98·3	109·0	108·1	98·7	108·9	102·7	109·5
3	106·8	102·4	107·9	105·2	103·1	106·6	104·3	109·5
4	103·5	99·7	104·7	100·2	102·9	104·1	103·6†	104·9
1975 *1*	102·5†	95·5	103·8†	100·7	99·3	103·5	103·0	102·5
2	99·4	98·2	99·1	100·4	100·6	98·8	100·5	98·7
3	98·4	98·6	98·1	99·6	98·3	98·8	98·5	97·4
4	99·6	107·7	99·0	99·3	101·8	98·8	98·0	101·4
1976 *1*	100·3	110·1	99·3	100·2	103·5	98·9	96·2	103·6
2	101·9	120·1	101·9	97·8	102·4	101·7	96·9	107·4
3	101·7	126·1	101·8	96·5	100·3	102·6	96·3	107·2
4	104·8	147·0	103·5	100·0	105·3	104·3	97·9	111·7
1977 *1*	105·9	174·8	104·3	96·3	106·3	105·3	99·1	115·1
2	105·5	190·2	102·4	96·9	108·5	104·1	97·8	115·7
3	106·3	190·4	103·1	99·0	107·8	104·3	98·9	116·1
4	106·2	195·6	102·4	101·3	105·7	104·9	98·5	114·6
1978 *1*	106·9	209·6†	102·3	101·3	107·7	105·2	98·7	116·5
2	110·7	228·6	104·5	107·5	111·7	107·9	98·4	122·1
3	111·4	236·7	104·9	107·5	112·6	108·4	99·5	122·8†
4	110·4	255·3	103·3	105·8	108·7	106·1†	97·4	124·0
1979 *1*	109·6	276·2	102·1	95·8†	121·0	105·5	98·8	126·3
2	115·3	295·4	107·7	103·0	117·1	109·3	103·3	133·4
3	113·1	308·1	103·1	107·1	114·4†	105·6	95·6	132·6
4								
1978 *A*	111·1†	220	105·2†	..	115	108	98	123
M	110·1	231†	103·5	..	111	107	98	121
J	111·1	235	104·9	..	110	109†	98	123
J	111·5	235	104·9	..	115	108	100†	124
A	111·7	237	105·3	..	112	110	100	122
S	111·0	237	104·5	..	111	108	99	122
O	109·4	242	102·7	..	108	105	97	122
N	110·1	260	103·0	..	104	106	97	124
D	111·8	264	104·2	..	114	107	99	126
1979 *J*	103·8	279	93·6	..	121	100	92	118
F	111·8	284	104·8	..	121	108	102	130
M	113·1	266	107·8	..	121	110	103	131
A	113·7	278	106·5	..	117	108	103	131
M	114·9	299	106·7	..	119	109	104	132
J	117·2	310	109·8	..	116	111	104	137
J	116·4	312	107·6	..	115	108	102	136
A	112·0	303	101·6	..	115	105	95	131†
S	110·9	309	100·0	..	113	104	90	131
O	112·3	301	103·3	..	110	105	98	130
N	113·5	291	104·7	..	118†	107	99	131
D				..				

[1] All industries other than construction.

[2] For an index of construction output for Great Britain, incorporating the latest available information see page 30.


1975=100, seasonally adjusted
By industry
Share of industrial production, 1975
Mining and quarrying
Gas, electricity and Water
Manufacturing
Construction
All industries
Manufacturing industry
By market sector
Share of industrial production, 1975 (excluding construction)
Investment goods industries
Consumer goods industries
Intermediate goods industries
Intermediate goods industries
Consumer goods industries
Investment goods industries
120
115
110
105
100
95
140
135
130
125
120
115
110
105
100
95
90
1974
1975
1976
1977
1978
1979

Index numbers of output

Seasonally adjusted

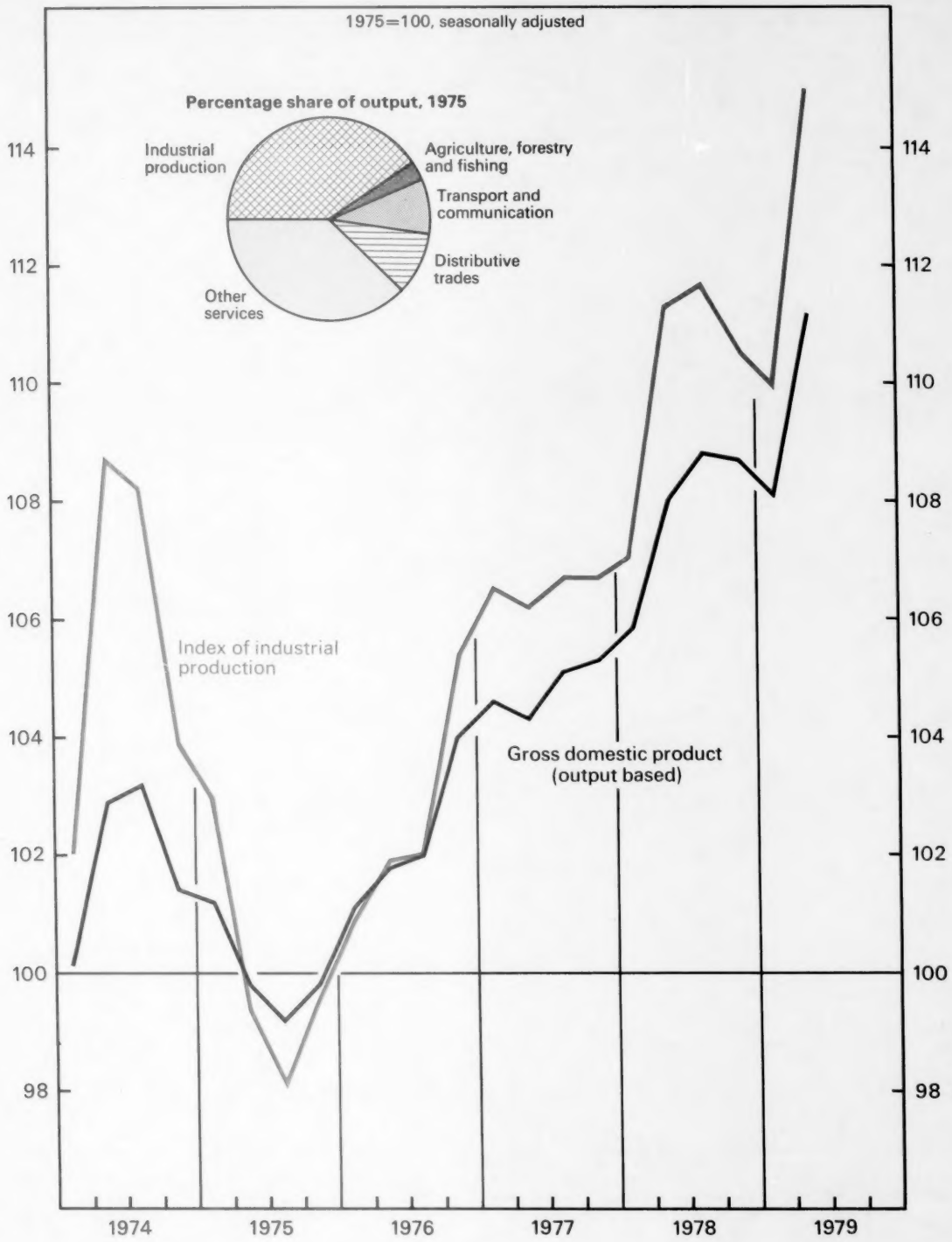
1975=100

	Gross domestic product (based on output data)[1,2] §	Agriculture, forestry and fishing	Industrial production[1] §	Transport and communication	Distributive trades	Other services
1975 weights	*1,000*	*28*	*407*	*88*	*101*	*376*
1968	90·2	91	97·0	80	92	85
1969	92·0	91	99·6	83	93	86
1970	93·6	96	99·7	86	95	88
1971	94·9	101	99·5	89	96	91
1972	97·9	105	101·5	93	101	94
1973	103·7	108	109·8	100	107	97
1974	102·0	110	105·8	101	103	97
1975	100·0	100	100·0	100	100	100
1976	102·1	93	102·5	99	101	104
1977	104·6	106	106·5	102	99	105
1978	107·7	113	110·1	105	103	106
1974 *1*	100·2	111	102·1	99	104	97
2	103·0	112	108·8	101	102	97
3	103·3	111	108·3	101	104	97
4	101·4	107	103·9	101	103	98
1975 *1*	101·2	103	102·8	101	103	99
2	99·8	101	99·5	100	101	100
3	99·3	99	98·2	100	98	101
4	99·7	97	99·5	98	98	101
1976 *1*	101·0	94	100·7	98	101	103
2	101·7	90	101·9	98	101	104
3	102·0	91	101·9	99	101	104
4	103·9	96	105·5	101	101	104
1977 *1*	104·4	102	106·5	103	99	104
2	104·1	105	106·2	101	97	104
3	104·8	108	106·5	102	99	105
4	105·1	109	106·8	103	99	105
1978 *1*	105·7	111	107·0	103	101	106
2	107·9	114	111·2	105	103	106
3	108·6	115	111·7	105	105	107
4	108·5	113	110·7	107	105	107
1979 *1*	107·3	111	109·8	104	104	106
2	111·4	110	115·7	111	109	108
3	109·3	110	113·4	110	104	106
	Percentage change, quarter on corresponding quarter of previous year					
1976 *1*	*− 0·3*	*− 9·4*	*− 2·1*	*− 3·6*	*− 2·5*	*+ 4·0*
2	*+ 1·9*	*−10·8*	*+ 2·4*	*− 1·9*	*− 0·4*	*+ 3·9*
3	*+ 2·7*	*− 7·5*	*+ 3·7*	*− 1·1*	*+ 3·3*	*+ 3·1*
4	*+ 4·2*	*+ 1·0*	*+ 6·1*	*+ 3·1*	*+ 3·0*	*+ 3·1*
1977 *1*	*+ 3·4*	*+ 8·8*	*+ 5·8*	*+ 5·8*	*− 1·2*	*+ 1·3*
2	*+ 2·3*	*+16·6*	*+ 4·3*	*+ 3·1*	*− 3·2*	*+ 0·5*
3	*+ 2·8*	*+18·2*	*+ 4·5*	*+ 3·0*	*− 1·8*	*+ 1·0*
4	*+ 1·2*	*+13·2*	*+ 1·3*	*+ 1·2*	*− 1·4*	*+ 0·9*
1978 *1*	*+ 1·2*	*+ 9·3*	*+ 0·4*	*+ 0·2*	*+ 1·7*	*+ 1·6*
2	*+ 3·7*	*+ 8·6*	*+ 4·7*	*+ 4·0*	*+ 5·4*	*+ 1·8*
3	*+ 3·6*	*+ 6·3*	*+ 4·9*	*+ 2·9*	*+ 5·5*	*+ 1·8*
4	*+ 3·2*	*+ 3·6*	*+ 3·6*	*+ 4·4*	*+ 6·0*	*+ 1·7*
1979 *1*	*+ 1·5*	*− 0·3*	*+ 2·7*	*+ 0·2*	*+ 3·0*	*+ 0·4*
2	*+ 3·2*	*− 3·8*	*+ 4·0*	*+ 5·1*	*+ 6·6*	*+ 1·6*
3	*+ 0·6*	*− 4·1*	*+ 1·5*	*+ 4·0*	*− 0·8*	*− 0·5*

[1] As from 1970 the figures are adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. An analysis of industrial production is given on page 26, but will differ from the series shown here because the adjustment included is not available monthly. There may also be differences because page 26 includes the latest information.

[2] Total output other than exploration for, and extraction of, petroleum and natural gas (MLH 104) is as follows:

1976	*1* 100·7	1977	*1* 103·1	1978	*1* 103·7	1979	*1* 104·2
	2 101·3		*2* 102·4		*2* 105·6		*2* 108·0
	3 101·4		*3* 103·1		*3* 106·2		*3* 105·7
	4 103·0		*4* 103·4		*4* 105·8		

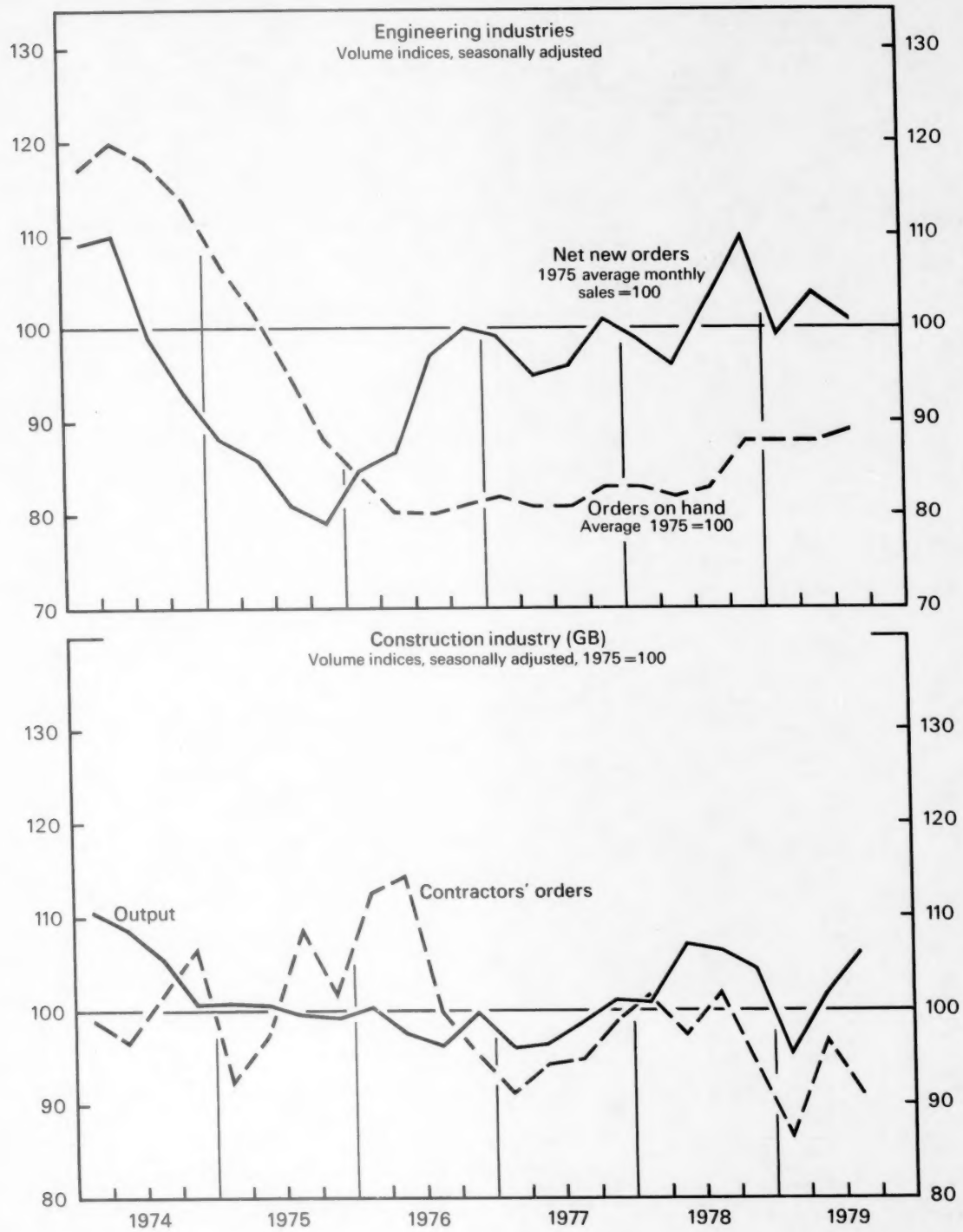

1975=100, seasonally adjusted
Percentage share of output, 1975
Industrial production
Agriculture, forestry and fishing
Transport and communication
Distributive trades
Other services
Index of industrial production
Gross domestic product (output based)
114
112
110
108
106
104
102
100
98
1974
1975
1976
1977
1978
1979

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

	Engineering industries[1]							Construction (GB)	
	Total			Home market		Export			
	Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3, 4]	Orders received
	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	Average 1975=100	1975 average monthly sales=100	1975=100	1975=100
1968	..	..	..	..	..	..	..	117·9	142·4
1969	..	..	..	..	..	..	..	117·4	133·7
1970	..	..	..	..	..	..	..	115·2	131·1
1971	..	..	..	..	..	..	..	116·2	139·2
1972	..	..	..	..	..	..	..	117·4	146·3
1973	99	113	116	120	121	100	105	118·1	141·4
1974	102	114	103	115	102	112	106	106·0	101·1
1975	100	88	84	87	83	90	84	100·0	100·0
1976	97	81	92	74	87	94	104	98·5	105·5
1977	97	83	98	75	93	98	109	98·1	94·7
1978[5]	99	88	102	83	100	98	106	104·8	98·8
1974 *3*	104	118	99	120	102	115	93	105·4	101·8
4	104	114	93	115	94	112	92	100·3	106·8
1975 *1*	105	107	88	108	89	106	85	100·7	92·5
2	100	102	86	102	85	102	88	100·4	97·1
3	98	95	81	94	80	96	84	99·6	108·8
4	97	88	79	87	79	90	80	99·3	101·6
1976 *1*	96	84	85	83	83	86	89	100·3	112·6
2	98	80	87	79	86	82	90	97·6	114·5
3	97	80	97	76	90	87	114	96·3	99·7
4	97	81	100	74	90	94	123	99·9	95·2
1977 *1*	98	82	99	74	95	96	108	96·0	91·0
2	97	81	95	73	89	98	110	96·5	94·3
3	97	81	96	73	92	96	106	98·7	94·8
4	96	83	101	75	97	98	110†	101·0	98·7
1978[5] *1*	98	83	99	75	95	99	109	100·9	101·6
2	98	82	96	75	95	96	97	107·1	97·5
3	100	83	103	75	98	99	113	106·5	102·0
4	98	88	110	83	113	98	104	104·6	94·2
1979 *1*	97	88†	97	82	93†	101	108	95·3	86·6
2	105†	88	104†	82†	102	99†	108	101·8	96·9
3	97	89	101	84	101	100	103	106·2[5]	91·0[5]†
4									
1978[5] *A*	96	83	94	75	92	98	99	..	94·1
M	99	83	100	75	101†	97	97	..	102·5
J	98	82	93	75	93	96	94	..	95·9
J	98	82	98	76	102	95	91	..	93·7
A	100	82	103	76	96	96	119	..	108·2
S	102	83	107	75	98	99	130	..	104·1
O	96	83	97	76	97	98	96†	..	103·9
N	97†	87†	124	82	133	98	103	..	88·3
D	102	88	110	83	109	98	113	..	90·4
1979[5] *J*	84	90	95	83†	90	102	106	..	79·7
F	102	89	97†	83	97	100	96		100·2
M	105	88	101	82	91	101	122		79·8
A	101	88	104	82	100	101	111	..	90·4
M	104	89	104	83	104	100	104	..	104·2
J	111	88	104	82	102	99†	109	..	96·2
J	101	88	100	83	108	96	82	..	95·8
A	96	89	104	84	98	98	118	..	94·1
S	94	89	101	84	97	100	109	..	82·8[5]
O	94	90	100	85	95	101	112	..	95·2[5]
N								..	
D								..	

[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Provisional.

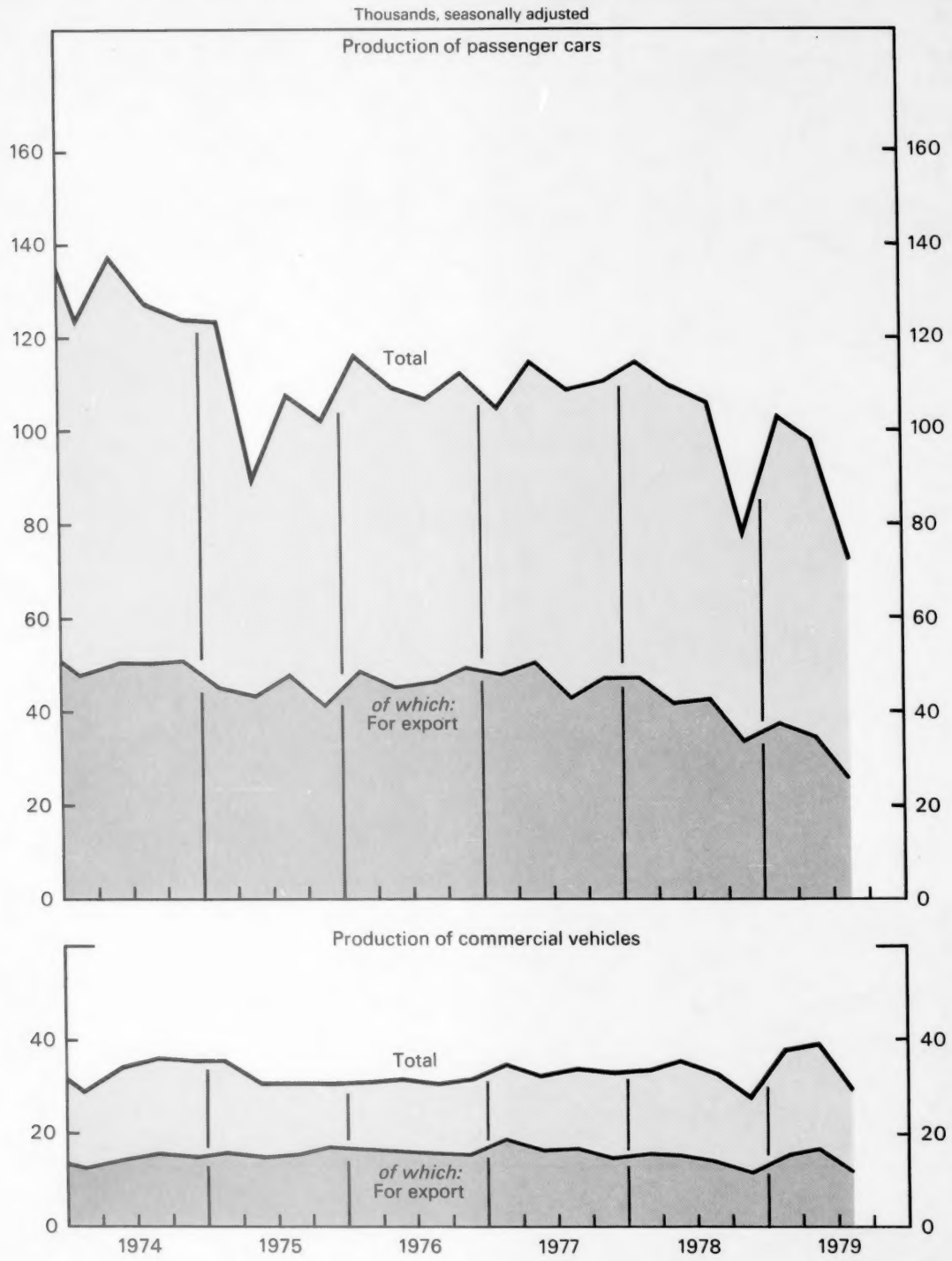

Engineering industries
Volume indices, seasonally adjusted
Net new orders
1975 average monthly sales =100
Orders on hand
Average 1975 =100
Construction industry (GB)
Volume indices, seasonally adjusted, 1975 =100
Output
Contractors' orders
130
120
110
100
90
80
70
1974
1975
1976
1977
1978
1979

Motor vehicle production and steel production and consumption

Seasonally adjusted

	Thousands[1]						Thousand tonnes	
	Passenger cars§			Commercial vehicles§				
	Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1968	151·3	*+17·0*	66·9	34·1	*+ 6·3*	12·5	26,255	16,835
1969	143·1	*− 5·4*	68·7	38·8	*+13·8*	16·1	26,822	17,782
1970	136·7	*− 4·4*	60·2	38·1	*− 1·8*	15·8	27,792[4]	17,637[4]
1971	145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7	24,153	16,722
[1]1972	160·1	*+10·3*	51·1	34·0	*−10·5*	11·3	25,293	16,750
[1]1973	145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3	26,594	18,445
[1]1974	127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2	22,323	17,548
[1]975	105·6	*−17·4*	44·3	31·7	*− 5·4*	15·5	19,789[4]	15,446[4]
1976	111·1	*+ 5·2*	47·1	31·0	*− 2·3*	15·8	22,274	15,804
1977	109·7	*− 1·3*	46·9	33·2	*+ 7·0*	16·4	20.411	15,300
1978	101·9	*− 7·1*	41·2	32·0	*− 3·5*	14·1	20,311	15,593
1974 *3*	127·1	*−12·3*	50·1	35·7	*− 0·3*	15·6	5,763	4,252
4	124·1	*−14·7*	50·6	35·4	*+ 3·9*	14·9	5,599	4,379
1975 *1*	123·2	*− 0·1*	44·9	35·6	*+22·1*	15·7	6,102	4,267
2	89·3	*−34·8*	43·5	30·5	*−10·1*	14·6	4,661	3,695
3	107·9	*−15·0*	47·8	30·4	*−14·9*	15·2	4,231[5]	3,715[5]
4	102·1	*−17·7*	41·2	30·4	*−14·1*	16·7	4,719	3,769
1976 *1*	116·1	*− 5·8*	48·2	30·6	*−14·2*	16·1	5,480	4.076
2	109·6	*+22·7*	44·9	31·4	*+ 3·1*	16·0	5,731	3,887
3	106·8	*− 1·1*	45·9	30·3	*− 0·2*	15·6	5,375	3,785
4	112·1	*+ 9·8*	49·4	31·7	*+ 4·3*	15·5	5,650	4,056
1977 *1*	104·6	*− 9·9*	47·8	34·6	*+13·1*	18·3	5,417	3,744
2	114·8	*+ 4·8*	50·1	32·1	*+ 2·2*	16·1	4,908	3,758
3	108·9	*+ 2·0*	42·8	33·6	*+10·9*	16·5	5,419	3,974
4	110·3	*− 1·5*	46·9	32·4	*+ 2·3*	14·7	4,641	3,824
1978 *1*	114·9	*+ 9·8*	46·9	33·2	*− 4·0*	15·7	4,957	4,202
2	109·4	*− 4·7*	41·9	35·0	*+ 8·9*	15·2	5,278	3,949
3	105·7	*− 2·9*	42·2	32·3	*− 4·0*	13·9	4,757	3,910
4	77·6	*−29·7*	33·9	27·7	*−14·5*	11·6	5,245	3,522
1979 *1*	102·4	*−10·9*	37·4	37·5	*+12·9*	15·0	4,954	3,662
2	97·7	*−10·7*	34·8	38·8	*+10·8*	16·2	5 721	3,920
3	72·0	*−31·9*	25·8	28·8	*−10·9*	11·6	5,485†	3,750[7]†
4								
1978 *J*	95·6	*−12·8*	37·1	33·5	*+ 1·6*	14·4	1,701	..
A	114·8	*+13·8*	50·2	31·3	*− 9·0*	14·0	1,442[6]	..
S	106·8	*− 8·0*	39·4	32·1	*− 4·3*	13·2	1,614	..
O	83·3	*−22·6*	37·0	26·2	*−22·7*	10·8	1,614	..
N	54·8	*−48·6*	26·8	24·4	*−20·4*	11·6	2,072[6]	..
D	94·7	*−18·8*	37·8	32·5	*− 0·6*	12·3	1,559	..
1979 *J*	92·5	*−16·9*	34·7	34·5	*+ 3·3*	12·3	1,598[6]	..
F	104·2	*− 7·0*	39·3	37·7	*+22·6*	15·6	1,634	..
M	110·5	*− 8·9*	38·2	40·3	*+13·7*	17·1	1,722	..
A	101·5	*−13·0*	36·3	41·6	*+15·7*	18·5	1,776	..
M	90·5	*−12·9*	32·5	36·7	*+ 6·3*	15·2	2,148[6]	..
J	101·2	*− 5·9*	35·5	37·9	*+10·3*	14·8	1,797	..
J	99·3	*+ 3·8*	34·0	39·4	*+17·5*	14·4	1,804	..
A	56·7	*−50·6*	23·1	22·8	*−27·2*	10·2	1,871[6]	..
S	60·0	*−43·8*	20·4	24·2	*−24·8*	10·2	1,810†	..
O	76·2	*− 8·6*	25·3	26·3	*+ 0·4*	10·0	2,119[6]	..
N	84·3	*+53·8*	36·0	32·2	*+31·9*	11·5	1,644	..
D								..

[1] Monthly averages or standardised calendar months.
[2] The totals are for 'usable steel' in accordance with the system used by the EEC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.
[7] Provisional.


Thousands, seasonally adjusted
Production of passenger cars
160
140
120
100
80
60
40
20
0
Total
of which:
For export
Production of commercial vehicles
40
20
0
Total
of which:
For export
1974
1975
1976
1977
1978
1979

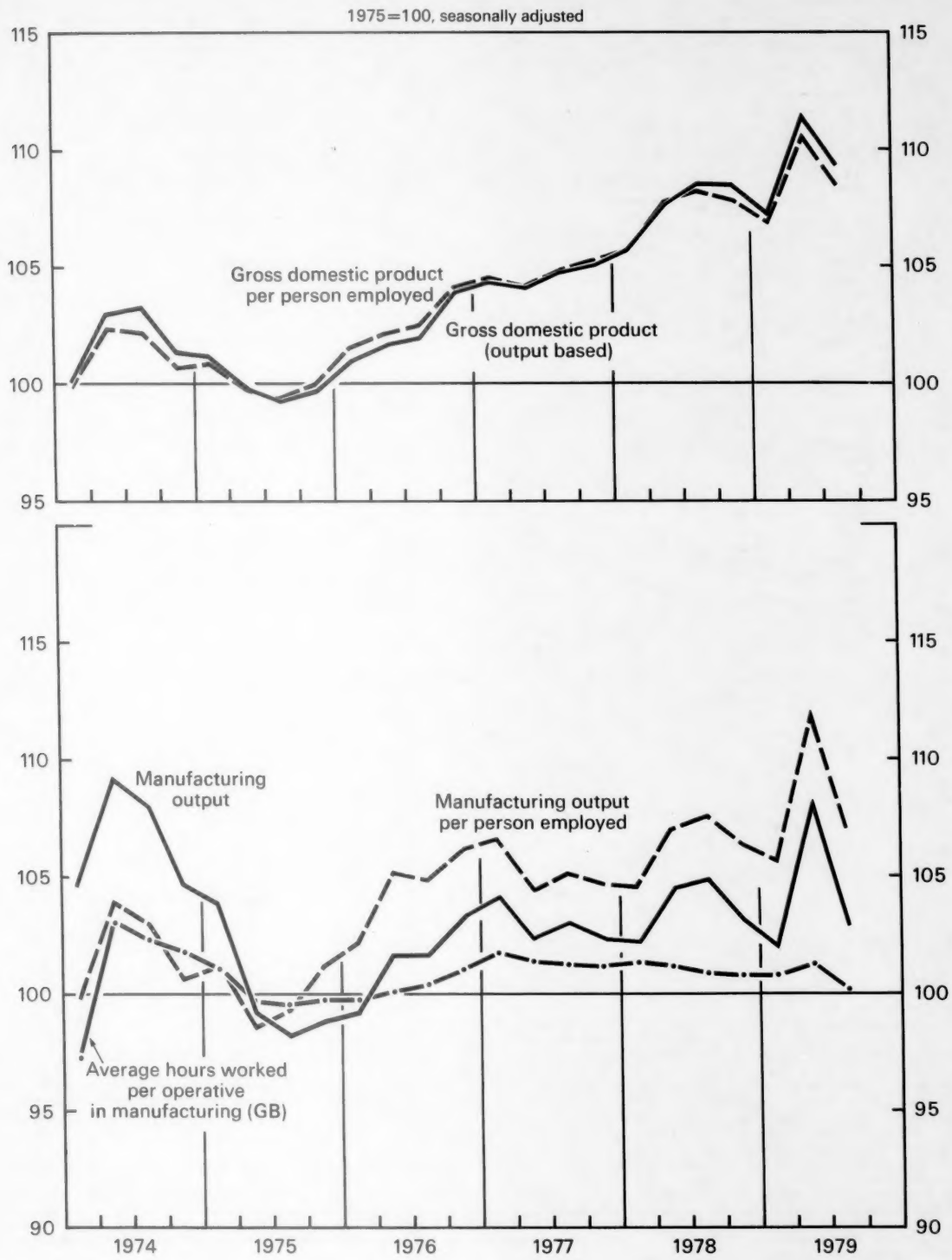
Output per person employed

Seasonally adjusted

1975 = 100

		Total employed labour force	Employment		Output per person employed[1]		
			index of production industries	Manufacturing industries	Whole economy	Index of production industries	Manufacturing industries
1968		99·8	111·1	109·9	90·4†	87·4	85·7
1969		99·7	110·8	111·3	92·3	90·0	87·7
1970		99·4	109·3	111·0	94·2	91·4	88·3
1971		97·6	106·1	107·4	97·2	94·2	90·8
1972		98·3	103·4	103·9	99·6	98·7	96·3
1973		100·4	104·7	104·5	103·3	104·6	103·6
1974		100·7	104·4	104·7	101·3	100·7	101·8
1975		100·0	100·0	100·0	100·0	100·0	100·0
1976[2]		99·5	97·6	97·0	102·6	104·5	104·6
1977		99·9†	97·9	97·8	104·7	108·2†	105·2†
1978		100·2	97·4	97·4	107·5	112·7	106·4
1973	*3*	100·4	104·8	104·6	103·5†	105·0	104·3
	4	100·5	104·9	104·9	103·1	104·0	104·1
1974	*1*	100·3	104·6	104·8	99·9	98·2	99·8
	2	100·6	104·5	105·0	102·4	102·9	103·8
	3	101·0	104·1	104·9	102·3	102·6	102·9
	4	100·7	104·2	104·1	100·7	99·3	100·6
1975	*1*	100·3	101·9	102·7	100·9	100·7	101·1
	2	100·1	100·4	100·7	99·7	99·0	98·5
	3	99·9	99·4	98·9	99·4	99·0	99·2
	4	99·7	98·4	97·7	100·0	101·2	101·2
1976	*1*	99·4	97·9	97·0	101·6	102·3	102·3
	2	99·5†	97·5	96·7	102·2	104·3	105·1
	3[2]	99·5	97·4	96·9	102·5	104·3	104·9
	4	99·7	97·6	97·3	104·2	107·2	106·2
1977	*1*	99·8	97·8	97·6	104·6	108·1	106·7†
	2	99·9	98·1	98·0	104·2	107·4	104·4
	3	99·9	97·9	98·0	104·9	108·5†	105·1
	4	99·8	97·6	97·7	105·3	108·8	104·7
1978	*1*	100·0	97·7	97·7	105·7	109·3	104·5
	2	100·1	97·7	97·6	107·8	113·2	107·0
	3	100·3	97·4	97·4	108·3	114·3	107·6
	4	100·6	97·1	96·9	107·9	113·6	106·4
1979	*1*	100·5	97·0	96·6	106·8	112·9	105·6
	2	100·7	97·1	96·5	110·6	118·9	112·0
	3	100·7	96·9	96·2	108·5	116·5	107·0
	4						
		Percentage change, quarter on corresponding quarter of previous year					
1976	*3*[2]	*−0·4*	*−2·0*	*−2·0*	*+3·1*†	*+5·4*	*+5·7*
	4	*—*	*−0·8*	*−0·4*	*+4·2*	*+5·9*	*+4·9*
1977	*1*	*+0·4*	*−0·1*	*+0·6*	*+3·0*	*+5·7*	*+4·3*†
	2	*+0·4*†	*+0·6*	*+1·3*	*+2·0*	*+3·0*	*−0·7*
	3	*+0·4*	*+0·5*	*+1·1*	*+2·3*	*+4·0*†	*+0·2*
	4	*+0·1*	*—*	*+0·4*	*+1·1*	*+1·5*	*−1·4*
1978	*1*	*+0·2*	*−0·1*	*+0·1*	*+1·1*	*+1·1*	*−2·1*
	2	*+0·2*	*−0·4*	*−0·4*	*+3·5*	*+5·4*	*+2·5*
	3	*+0·4*	*−0·5*	*−0·6*	*+3·2*	*+5·3*	*+2·4*
	4	*+0·8*	*−0·5*	*−0·8*	*+2·5*	*+4·4*	*+1·6*
1979	*1*	*+0·5*	*−0·7*	*−1·1*	*+1·0*	*+3·3*	*+1·1*
	2	*+0·6*	*−0·6*	*−1·1*	*+2·6*	*+5·0*	*+4·7*
	3	*+0·4*	*−0·5*	*−1·2*	*+0·2*	*+1·9*	*−0·6*

[1] The ratios do not take into account part-time working or hours of work.
[2] Figures after June 1976 are provisional.


1975=100, seasonally adjusted
115
110
105
100
95
Gross domestic product
per person employed
Gross domestic product
(output based)
Manufacturing
output
Manufacturing output
per person employed
Average hours worked
per operative
in manufacturing (GB)
90
1974
1975
1976
1977
1978
1979

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1975 = 100	1975 = 100	Thousands
	Working population[2]	Employed labour force[2]	Employees in employment[2,3,4]	Thousands[4,5]	Percentage of employees[6]	Vacancies notified to employment offices§	Employees in employment[2,3]	Average hours worked per operative[7]	Total unemployed including school leavers
1970	25,344	24,739	22,465	602·0	*2·6*	188·3	111·3	104·5	612·2
1971	25,166	24,390	22,113	775·8	*3·4*	130·9	107·5	102·6	792·1
1972	25,244	24,386	22,116	854·9	*3·7*	147·3	103·8	102·1	875·6
1973	25,601	24,971	22,663	611·0	*2·6*	307·0	104·5	103·9	618·8
1974	25,653	25,060	22,790	599·7[8]	*2·6*[8]	301·6[8]	105·0	101·1	614·9[8]
1975	25,847†	24,935	22,713	929·1	*3·9*	148·1[8]	100·0	100·0	977·6
1976	26,133	24,764†	22,542†	1,269·3[8]	*5·3*	119·7	96·7	100·3	1,358·8[8]
1977	26,353	24,871	22,658	1,378·0	*5·7*	155·8[8]	98·1	101·3	1,483·6
1978	26,391	24,919	22,715	1,376·5	*5·7*	210·4[8]	97·5	101·1	1,475·0
1979									1,390·5
1975 *1*	25,762	24,966	22,733	735·2	*3·1*	..[9]	102·2	101·1	788·7
2	25,847†	24,935	22,713	858·5	*3·6*	163·0	100·0	99·6	853·8
3	25,975	24,884	22,658	994·6	*4·2*	133·8	98·4	99·5	1,095·5
4	26,034	24,822†	22,597†	1,128·2	*4·8*	115·5	97·4	99·7	1,172·3
1976 *1*	26,055	24,763	22,540	1,222·7	*5·1*	114·0	96·7	99·7	1,297·5
2	26,133	24,764	22,542	1,269·3	*5·3*	115·7	96·7	100·0	1,294·9
3	26,170[7]	24,781	22,557[7]	1,290·6	*5·4*	126·2	97·0[7]	100·4	1,473·7
4	26,215	24,823	22,603	..[10]	..[10]	..[10]	97·3	101·0	..[10]
1977 *1*	26,255	24,856	22,640	1,333·3	*5·5*	..[10]	97·8	101·7	1,417·8
2	26,353	24,871	22,658	1,353·4	*5·6*	154·3	98·1	101·3	1,394·7
3	26,410	24,878	22,664	1,403·1	*5·8*	153·7	98·0	101·2	1,622·4
4	26,359	24,851	22,641	1,422·2	*5·9*	163·6	97·7	101·1	1,499·4
1978 *1*	26,386	24,902	22,695	1,415·7	*5·9*	185·9	97·7	101·3	1,506·1
2	26,391	24,919	22,715	1,388·6	*5·7*	206·3	97·5	101·1	1,428·2
3	26,403	24,966	22,760	1,367·9	*5·7*	215·2	97·2	100·9	1,570·6
4	26,437	25,043	22,840	1,333·7	*5·5*	234·2	96·8	100·8	1,395·3
1979 *1*	26,443	25,016	22,815	1,356·7	*5·6*	232·6	96·5	100·8	1,436·5
2	26,439	25,071	22,871	1,304·2	*5·4*	255·0	96·4	101·3	1,327·9
3	26,387	25,074	22,869	1,269·1	*5·3*	247·2	95·8	100·2	1,438·0
4									1,359·4
1978 *J*	..	..	..	1,370·2	*5·7*	211·1	97·6	101·0	1,585·8
A	..	..	..	1,373·4	*5·7*	211·8	97·4	100·8	1,608·3
S	..	..	..	1,360·2	*5·6*	222·8	97·2	101·0	1,517·7
O	..	..	..	1,349·9	*5·6*	231·8	97·0	100·9	1,429·5
N	..	..	..	1,331·7	*5·5*	234·9	96·9	100·8	1,392·0
D	..	..	..	1,319·6	*5·5*	235·9	96·8	100·8	1,364·3
1979 *J*	..	..	..	1,342·1	*5·5*	235·7	96·7	100·3	1,455·3
F	..	..	..	1,366·5	*5·6*	228·9	96·6	100·9	1,451·9
M	..	..	..	1,361·5	*5·6*	233·1	96·5	101·3	1,402·3
A	..	..	..	1,327·4	*5·5*	245·3	96·5	101·5	1,340·6
M	..	..	..	1,306·4	*5·4*	257·3	96·5	101·0	1,299·3
J	..	..	..	1,278·7	*5·3*	262·4	96·4	101·3	1,343·9
J	..	..	..	1,278·7	*5·3*	253·0	96·4	101·1	1,464·0
A	..	..	..	1,264·7	*5·2*	245·6	96·2	99·9	1,455·5
S	..	..	..	1,263·9	*5·2*	243·1	95·8	99·6†	1,394·5
O	..	..	..	1,282·0	*5·3*	237·4	95·3	100·3	1,367·6
N	..	..	..	1,282·1	*5·3*	234·3	95·1	100·9	1,355·2
D	..	..	..	1,294·5	*5·3*	219·8			1,355·5

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.

[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.

[3] From 1971, the employees in employment estimates are based on annual census of employment. For the years before 1971 estimates are taken from the continuous employment series published in the October 1975 issue of the *Department of Employment Gazette*. Annual estimates relate to mid-year. From June 1976 the employees in employment figures for the UK are provisional until the publication of the results of the Census of Employment for June 1977. A constant component for Northern Ireland is included from June 1978.

[4] The seasonally adjusted series have been calculated as described in *Employment Gazette*, May 1979.

[5] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit as described on page 1151 of *Employment Gazette*, November 1979.

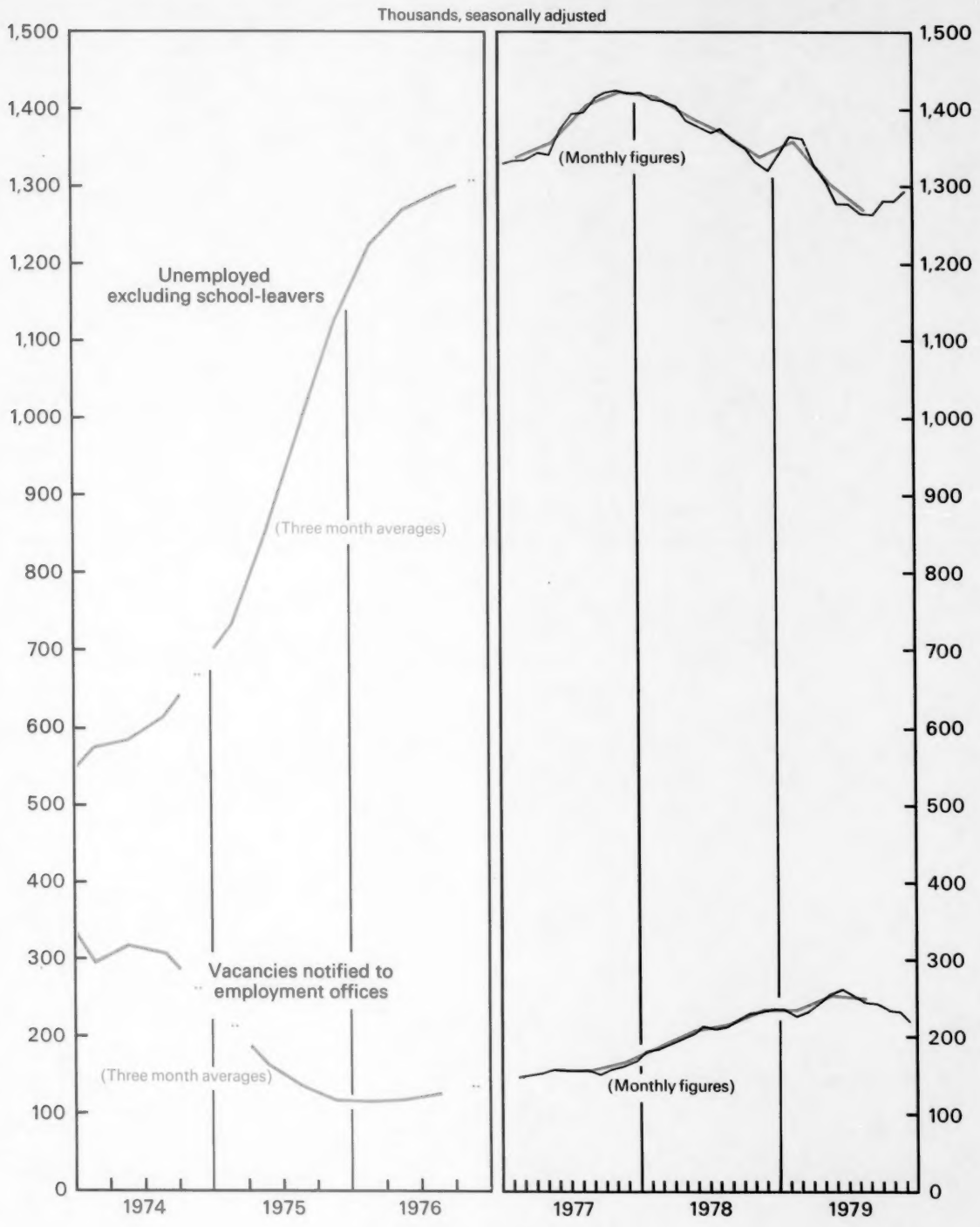
[6] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed): the latest figure available is the provisional estimate for mid-1978.

[7] Estimates after June 1976 are provisional.

[8] Averages of eleven months' figures.

[9] Figure not available due to industrial action. For further details see note to page 129 of *Department of Employment Gazette*, February 1975.

[10] Because of industrial action by some staff in the Department of Employment group, figures for these months are not available.


Thousands, seasonally adjusted
1,500
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
Unemployed
excluding school-leavers
(Three month averages)
Vacancies notified to
employment offices
(Three month averages)
(Monthly figures)
(Monthly figures)
1974
1975
1976
1977
1978
1979

Regional unemployment rates[1]

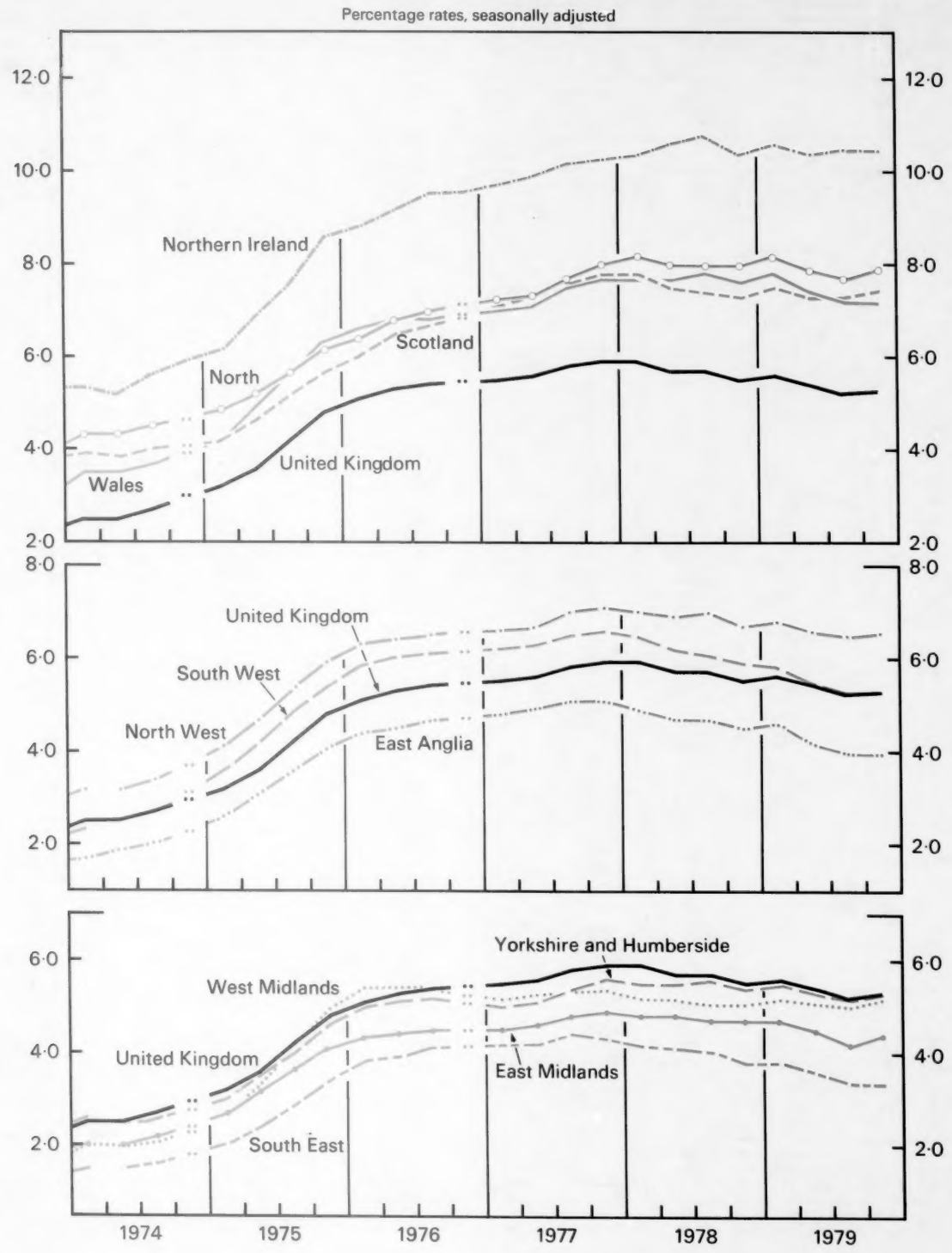
Seasonally adjusted[2]

Per cent

	North[3]	Yorkshire and Humberside[3]	East Midlands[3]	East Anglia	South East[3]	South West[3]	West Midlands
1974 *1*	4·3	2·6	2·0	1·7	1·5	2·3	2·0
2	4·3	2·5	2·0	1·8	1·5	2·5	2·0
3	4·5	2·6	2·2	2·0	1·6	2·7	2·1
4	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]
1975 *1*	4·8	3·0	2·7	2·6	2·0	3·6	2·7
2	5·2	3·5	3·2	3·1	2·4	4·2	3·5
3	5·7	4·0	3·7	3·6	2·9	4·8	4·2
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·4	5·0	4·3	4·4	3·8	5·8	5·4
2	6·8	5·1	4·4	4·5	3·9	6·0	5·4
3	7·0	5·2	4·5	4·7	4·1	6·1	5·4
4	..[5]	..[5]	..[5]	..[5]	..[5]	..[5]	..[5]
1977 *1*	7·2	5·0	4·5	4·8	4·2	6·2	5·2
2	7·3	5·1	4·6	4·9	4·2	6·3	5·3
3	7·7	5·4	4·8	5·1	4·4	6·5	5·4
4	8·0	5·6	4·9	5·1	4·3	6·6	5·4
1978 *1*	8·2	5·5	4·8	4·9	4·2	6·5	5·2
2	8·0	5·5	4·8	4·7	4·1	6·2	5·2
3	8·0	5·6	4·7	4·7	4·0	6·1	5·1
4	8·0	5·4	4·7	4·5	3·8	5·9	5·1
1979 *1*	8·2	5·5	4·7	4·6	3·8	5·8	5·2
2	7·9	5·3	4·5	4·2	3·6	5·5	5·1
3	7·7	5·2	4·2	4·0	3·4	5·3	5·0
4	7·9	5·2	4·5	4·0	3·4	5·3	5·2

	North West[3]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1974 *1*	3·2	3·5	3·9	2·4	5·3	2·5
2	3·2	3·5	3·8	2·4	5·2	2·5
3	3·4	3·7	3·9	2·6	5·6	2·6
4	..[4]	..[4]	..[4]	..[4]	5·9	..[4]
1975 *1*	4·1	4·2	4·2	3·1	6·1	3·1
2	4·7	4·9	4·6	3·6	6·9	3·6
3	5·3	5·6	5·2	4·1	7·6	4·2
4	5·9	6·3	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·6	6·0	5·0	8·8	5·1
2	6·4	6·8	6·5	5·2	9·2	5·3
3	6·5	6·8	6·7	5·3	9·5	5·4
4	..[5]	..[5]	..[5]	..[5]	9·6	..[5]
1977 *1*	6·6	7·0	7·1	5·4	9·7	5·5
2	6·7	7·1	7·3	5·5	9·9	5·6
3	7·0	7·5	7·6	5·7	10·2	5·8
4	7·1	7·7	7·8	5·8	10·3	5·9
1978 *1*	7·0	7·7	7·8	5·7	10·4	5·9
2	6·9	7·7	7·5	5·6	10·6	5·7
3	7·0	7·8	7·4	5·5	10·8	5·7
4	6·7	7·6	7·3	5·4	10·4	5·5
1979 *1*	6·8	7·8	7·5	5·5	10·6	5·6
2	6·6	7·4	7·3	5·3	10·4	5·4
3	6·5	7·2	7·3	5·1	10·5	5·2
4	6·6	7·2	7·5	5·2	10·5	5·3

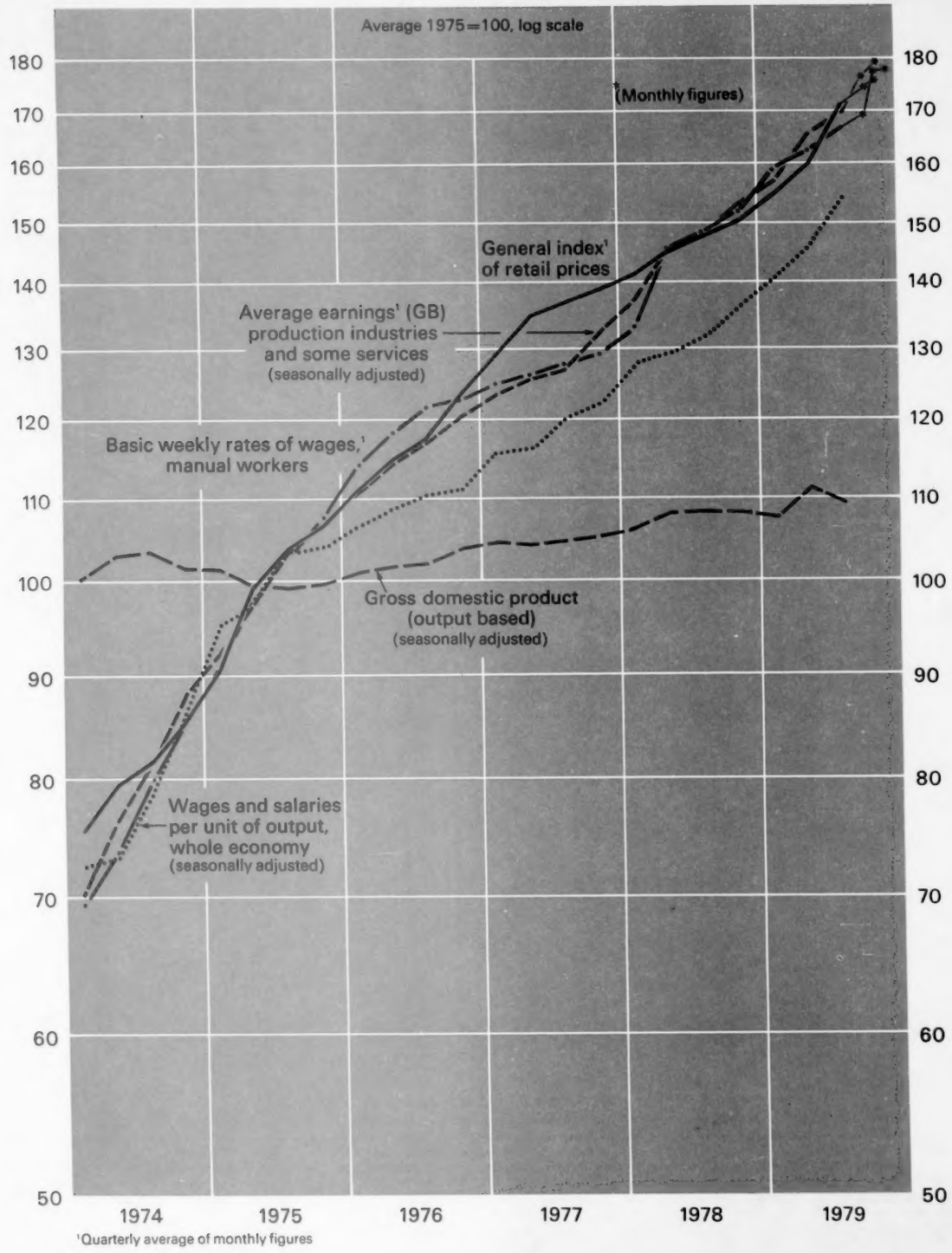
[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed). The latest figures available are the provisional estimates for mid-1979, with the exception of Northern Ireland (mid-1978).
[2] The seasonally adjusted series have been calculated as described in *Employment Gazette* for May 1979.
[3] The boundaries of the standard regions were revised in April 1974.
[4] Figure not available due to industrial action. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.
[5] Because of industrial action by some staff in the Department of Employment group, figures are not available.


Percentage rates, seasonally adjusted
12·0
10·0
8·0
6·0
4·0
2·0
Northern Ireland
Scotland
North
United Kingdom
Wales
United Kingdom
South West
North West
East Anglia
Yorkshire and Humberside
West Midlands
United Kingdom
East Midlands
South East
1974
1975
1976
1977
1978
1979

Wage rates and earnings

	Unadjusted				Seasonally adjusted					
	31 July 1972 =100[1]		January 1976 =100		January 1970 =100				1975 =100	
	Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	New series: whole economy	*Percentage increase on year earlier*	Older series: production industries and some services	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1968	68·1	68·4	..	..	88·2	*7·8*	87·8	*8·2*	43·8†	43·5†
1969	71·7	72·1	..	..	95·2	*7·8*	94·9	*8·1*	45·3	46·3
1970	78·8	79·4	..	..	106·7	*12·1*	107·0	*12·7*	49·6	52·0
1971	89·0	89·3	..	..	118·7	*11·3*	118·9	*11·2*	54·3	56·9
1972	101·3	101·5	..	..	134·0[2]	..[3]	134·2[2]	..[3]	59·1	59·3
1973	115·2	114·6	..	..	152·1	..[3]	151·5	..[3]	63·4	62·6
1974	138·0	134·3	..	..	179·1	*17·8*	177·5	*17·2*	77·8	77·3
1975	178·7	174·4	..	..	226·6	*26·5*	223·8	*26·1*	100·0	100·0
1976	213·2	209·0	106·0	..	261·8	*15·6*	260·7	*16·5*	109·3	113·8
1977	227·3	218·9	115·6	*9·1*	288·5	*10·2*	287·6	*10·3*	118·7	125·7
1978	259·3	258·8	130·6	*13·0*	330·2	*14·5*	329·6	*14·6*	131·8	142·1†
1975 *1*	162·7	155·1	..	..	209·5	*31·6*	207·4	*31·8*	95·1	91·8
2	175·3	171·9	..	..	220·2	*27·6*	216·8	*26·6*	97·6	98·3
3	184·3	180·5	..	..	234·0	*26·4*	230·7	*25·4*	103·1	103·5
4	192·6	190·1	..	..	242·7	*21·6*	240·6	*21·8*	104·2	106·6
1976 *1*	204·2	201·5	101·0	..	250·7	*19·7*	248·9	*20·0*	106·5	110·0
2	211·5	209·0	105·2	..	258·1	*17·2*	257·6	*18·8*	108·9	111·8
3	217·8	212·5	107·9	..	265·9	*13·6*	265·1	*14·9*	110·2	115·9
4	219·3	213·1	110·1	..	272·7	*12·3*	271·3	*12·8*	111·5	117·5
1977 *1*	223·3	215·7	111·8	*10·7*	280·2	*11·8*	278·6	*11·9*	116·0†	120·4
2	225·9	217·9	114·5	*8·8*	284·4	*10·2*	283·2	*9·9*	116·3	124·2†
3	228·7	220·2	116·4	*7·9*	289·1	*8·7*	288·2	*8·7*	120·2	126·6
4	231·2	221·7	119·9	*8·9*	300·3	*10·1*	300·3	*10·7*	122·2	131·6
1978 *1*	237·8	226·1	123·1	*10·1*	310·9	*11·0*	311·6	*11·8*	128·3	136·4
2	260·6	263·9	129·9	*13·5*	327·8	*15·3*	326·9	*15·5*	129·9	139·9
3	265·8	267·9	133·2	*14·4*	335·7	*16·1*	334·5	*16·1*	132·5	142·4
4	273·0	277·5	136·4	*13·8*	346·4	*15·3*	345·4	*15·0*	136·4	149·5
1979 *1*	284·9	284·5	140·1	*13·9*	356·5	*14·7*	357·3	*14·7*	140·9	153·6
2	292·2†	291·3†	147·3	*13·4*	376·0	*14·7*	377·2	*15·4*	146·0	151·2
3	299·6	296·0	154·2[5]	*15·8*[5]	385·5[5]	*14·9*[5]	380·9[5]	*13·9*[5]	154·3	162·6
4	312·7	316·6								
1978 *J*	264·8	265·9	133·6	*14·2*	333·2	*16·3*	332·1	*16·2*	..	141·2
A	266·2	268·6	131·7	*13·9*	334·7	*15·9*	333·5	*15·9*	..	141·4
S	266·5	269·1	134·2	*15·1*	339·2	*16·2*	338·0	*16·2*	..	144·5
O	270·8	276·6	135·2	*14·7*	344·5	*16·5*	343·3	*16·5*	..	146·7
N	273·0	277·9	136·1	*13·3*	344·5	*14·4*	343·2	*13·8*	..	148·4
D	275·1	278·0	138·0	*13·3*	350·1	*15·1*	349·7	*14·8*	..	153·4
1979 *J*	283·0	283·7	135·7	*11·7*	344·7	*12·4*	345·5	*12·2*	..	154·4
F	285·2	284·7	141·1	*15·0*	355·6	*14·1*	357·3	*14·6*	..	155·2
M	286·4	285·1	143·7	*14·9*	369·3	*17·4*	369·0	*17·2*	..	151·2
A	289·2	288·6	144·3	*13·5*	368·1	*13·6*	368·0	*13·2*	..	143·4
M	291·2†	291·2	146·9	*13·5*	373·2	*14·4*	375·3	*15·5*	..	153·9
J	296·2	294·0†	150·9	*13·4*	386·6	*16·1*	388·2	*17·4*	..	156·2
J	298·4	294·3	155·6	*16·5*	387·8	*16·4*	386·8	*16·5*	..	159·3
A	299·9	296·3	153·3[5]	*16·4*[5]	384·8[5]	*15·0*[5]	378·3[5]	*13·4*[5]	..	162·9
S	300·5	297·3	153·6[5]	*14·4*[5]	384·1[5]	*13·2*[5]	377·6[5]	*11·7*[5]	..	165·5
O	302·7	297·8	158·1	*17·0*	401·3	*16·5*	399·2	*16·3*	..	
N	317·3	325·5	162·2[6]	*19·2*[6]	407·6[6]	*18·3*[6]	407·7[6]	*18·8*[6]	..	
D	318·0	326·5							..	

[1] Prior to July 1972 the series was based on 31 January 1956 =100. Figures before July 1972 have therefore been linked.
[2] Average of 11 months. See footnote[3].
[3] In the absence of earnings data for February 1972 due to the effects of the coalmining dispute, no index of wages and salaries per unit of output or index of average earnings has been calculated for that month. The indices calculated for January and March 1972 are less reliable than usual.
[4] The figures reflect temporary reductions in earnings while three-day working and other restrictions were in operation.
[5] These figures are affected by the industrial dispute in the engineering industries. [6] Provisional.



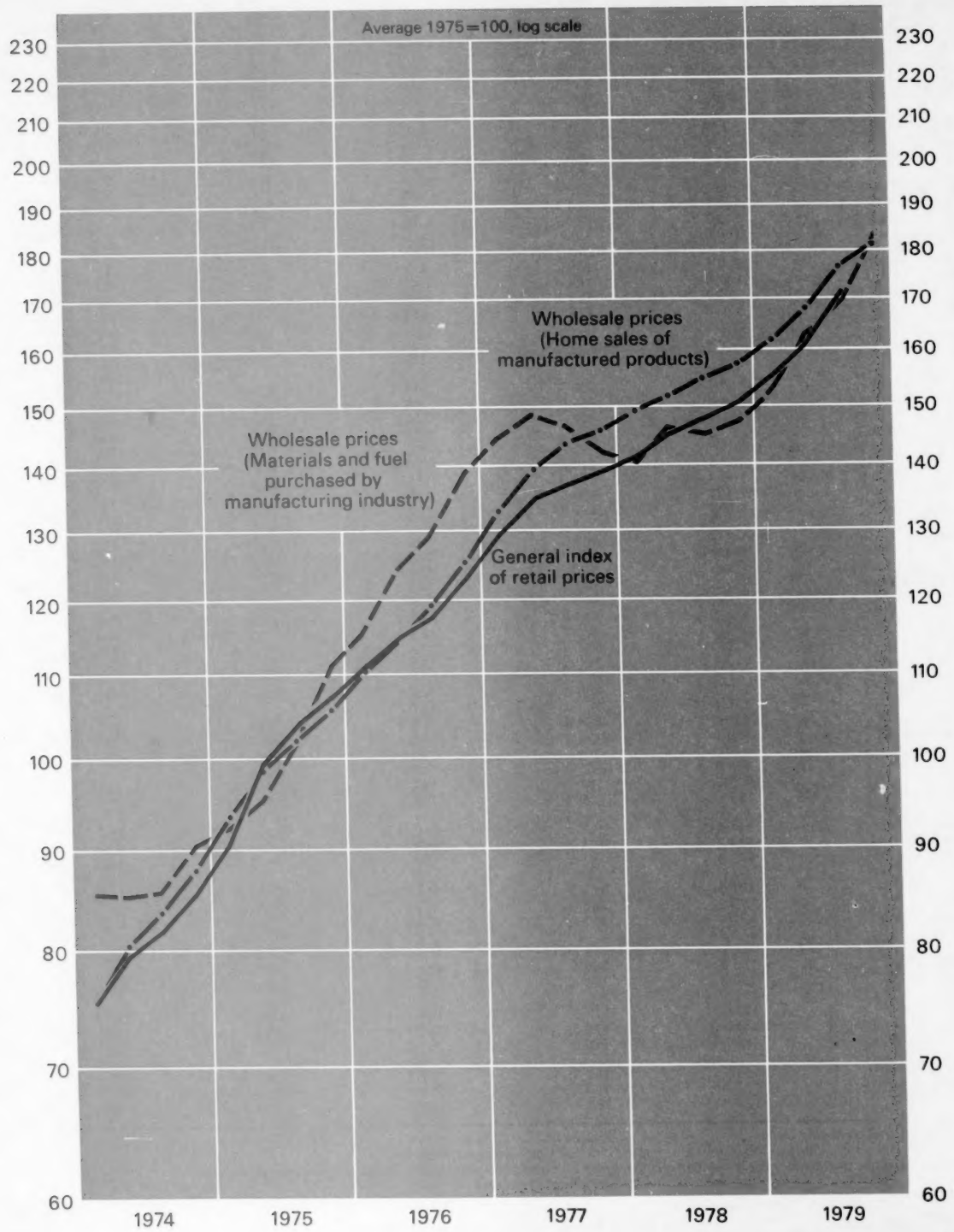
[1]Quarterly average of monthly figures

Prices

Unadjusted

	Average 1975=100										Average 1975=100 p
	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
	Materials and fuel purchased by manufacturing industry[2]	Output All manufactured products Home sales[3]	All items Index	All items *Percentage increase on year earlier*	Total food	Total non-food	All items other than seasonal food Index	All items other than seasonal food *Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1969	38·7	50·5	51·0	*5·4*	45·3	53·1	51·5	*5·2*	49·2	49·5	196
1970	40·7	54·1	54·2	*6·4*	48·5	56·3	54·8	*6·5*	52·7	52·8	184
1971	42·5	59·0	59·3	*9·4*	53·9	61·4	60·0	*9·5*	58·0	58·0	169
1972	44·4	62·1	63·6	*7·1*	58·6	65·3	64·1	*6·9*	62·4	62·3	157
1973	58·8	66·7	69·4	*9·2*	67·5	70·1	69·4	*8·3*	68·4	68·7	144
1974	86·8	81·8	80·5	*16·1*	79·6	80·8	80·5	*16·0*	79·5	79·8	124
1975	100·0	100·0	100·0	*24·2*	100·0	100·0	100·0	*24·2*	100·0	100·0	100
1976	127·0	117·3	116·5	*16·5*	120·0	115·6	115·8	*15·8*	119·1	118·8	86
1977	145·6	140·5	135·0	*15·8*	142·8	132·8	134·3	*16·0*	139·1	138·7	74
1978	144·6	153·3	146·2	*8·3*	152·9	144·3	146·5	*9·0*	150·4	149·8	68
1979			165·8	*13·4*	171·3	164·3	165·9	*13·3*	168·0	167·6	60
1975 *1*	92·2	93·7	90·5	*20·3*	91·4	90·2	90·7	*20·7*	89·9	89·9	110
2	95·5	98·5	99·1	*24·3*	99·8	98·8	99·0	*24·4*	99·5	99·6	101
3	101·8	102·1	103·4	*26·5*	102·5	103·7	103·4	*26·3*	103·1	103·3	97
4	110·5	105·7	107·0	*25·3*	106·1	107·3	106·9	*25·0*	107·4	107·3	93
1976 *1*	115·4	110·3	110·9	*22·5*	113·6	110·1	110·1	*21·3*	112·8	112·6	90
2	124·6	114·5	114·9	*16·0*	117·7	114·1	113·9	*15·1*	117·3	116·9	87
3	128·9	119·2	117·6	*13·7*	119·1	117·1	117·3	*13·4*	119·6	119·2	85
4	138·9	125·2	123·0	*15·0*	129·6	121·0	122·0	*14·0*	126·9	126·4	81
1977 *1*	144·8	133·0	129·2	*16·5*	138·6	126·4	127·7	*16·1*	132·6	132·9	77
2	148·8	139·6	134·9	*17·4*	143·3	132·5	133·6	*17·3*	138·4	138·4	74
3	146·5	143·8	137·0	*16·5*	144·1	135·0	136·8	*16·7*	141·6	140·7	73
4	142·2	145·8	139·0	*13·0*	145·0	137·3	139·3	*14·2*	143·9	142·9	72
1978 *1*	140·2	149·2	141·4	*9·5*	148·0	139·5	141·6	*10·8*	146·3	145·5	71
2	146·3	151·8	145·3	*7·6*	152·9	143·1	145·2	*8·6*	150·0	149·3	69
3	144·9	154·8	147·8	*7·9*	154·7	145·9	148·2	*8·3*	151·9	151·3	68
4	147·1	157·3	150·3	*8·1*	156·0	148·6	150·8	*8·3*	153·4	153·0	67
1979 *1*	153·4†	161·6	155·0	*9·6*	164·2	152·4	154·7	*9·3*	159·2	158·5	65
2	163·3	168·0	160·7	*10·6*	168·9	158·3	160·2	*10·4*	163·4	162·9	62
3	169·9	176·4	171·4	*16·0*	173·9	170·6	171·9	*16·0*	171·8	171·7	58
4	183·6[5]	181·6[5]	176·2	*17·3*	178·0	175·7	176·7	*17·2*	177·6	177·2	57
1978 *J*	145·8	153·8	147·0	*7·8*	154·6	144·8	147·1	*8·3*	..	..	68
A	144·2	154·8	147·9	*8·0*	154·7	146·0	148·3	*8·4*	..	..	68
S	144·8	155·7	148·5	*7·8*	154·8	146·8	149·1	*8·2*	..	..	67
O	145·7	156·6	149·2	*7·8*	154·2	147·7	149·8	*8·1*	..	..	67
N	147·3	157·1	150·2	*8·1*	156·0	148·6	150·9	*8·3*	..	..	67
D	148·3	158·3	151·5	*8·4*	157·9	149·6	151·8	*8·5*	..	..	66
1979 *J*	151·8†	160·0	153·7	*9·3*	163·2	151·0	153·4	*9·0*	..	..	65
F	153·3	161·7	155·0	*9·6*	164·1	152·4	154·8	*9·3*	..	..	65
M	155·2	163·2	156·2	*9·8*	165·2	153·7	155·9	*9·5*	..	..	64
A	160·6	165·5	158·9	*10·1*	166·2	156·8	158·4	*9·7*	..	..	63
M	162·8	167·7	160·2	*10·3*	168·0	157·9	159·8	*10·1*	..	..	62
J	166·6	170·9	162·9	*11·4*	172·5	160·2	162·4	*11·3*	..	..	61
J	168·1	174·8	170·0	*15·6*	173·4	169·0	170·3	*15·8*	..	..	59
A	169·1	176·3	171·3	*15·8*	173·9	170·4	171·8	*15·8*	..	..	58
S	172·5	178·2	173·0	*16·5*	174·5	172·5	173·6	*16·5*	..	..	58
O	178·1	180·3	174·8	*17·2*	176·1	174·4	175·4	*17·1*	..	..	57
N	186·1[5]	181·5[5]†	176·3	*17·4*	177·8	175·9	176·8	*17·2*	..	..	57
D	186·7[5]	183·0[5]	177·6	*17·2*	180·0	176·9	178·0	*17·3*	..	..	56

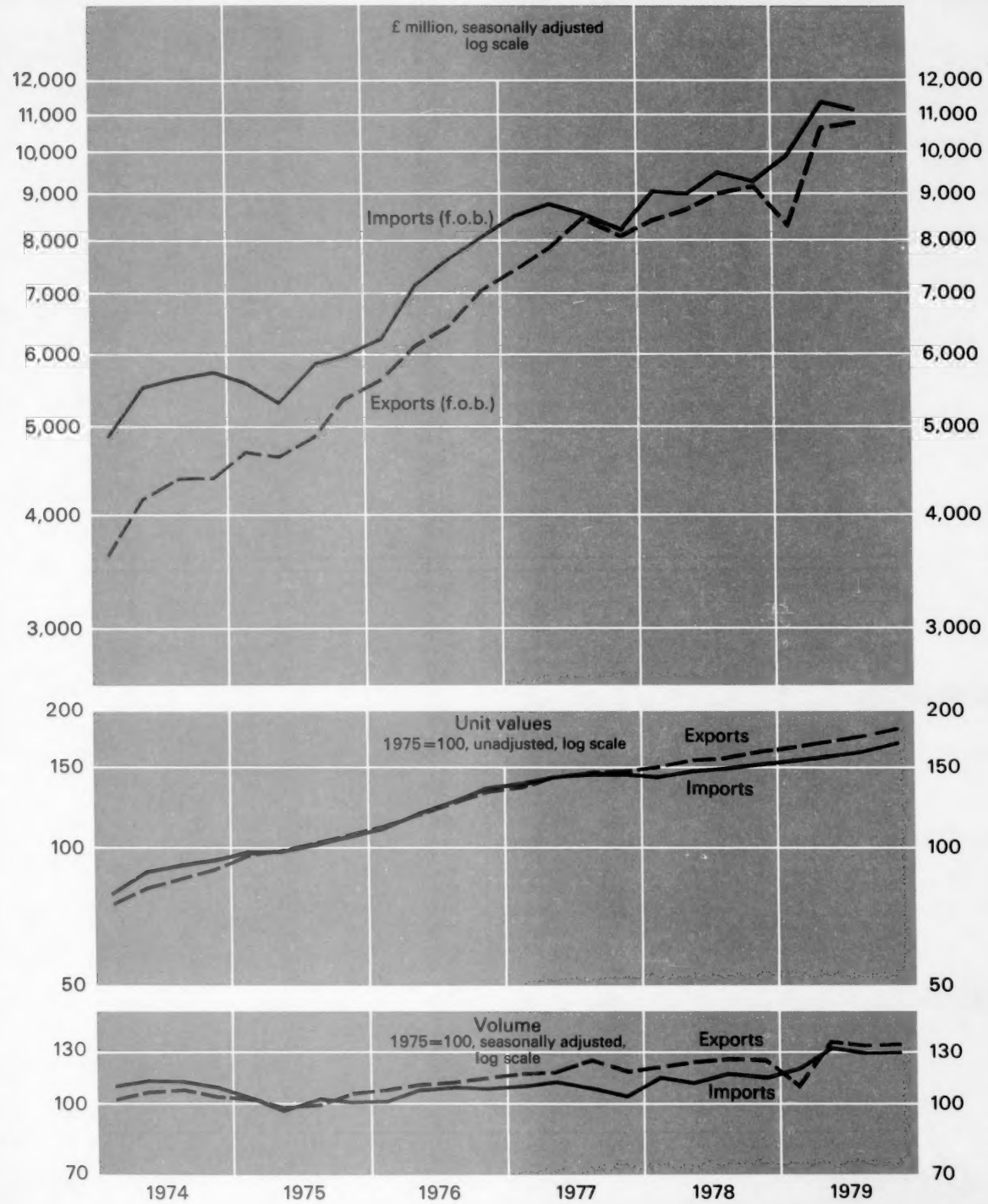
[1] All items except housing. [2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices. [5] Provisional.


Average 1975=100, log scale
230
220
210
200
190
180
170
160
150
140
130
120
110
100
90
80
70
60
Wholesale prices
(Home sales of
manufactured products)
Wholesale prices
(Materials and fuel
purchased by
manufacturing industry)
General index
of retail prices
1974
1975
1976
1977
1978
1979

Visible trade

	Seasonally adjusted		Unadjusted			
	1975=100		1975=100			1975=100
	Volume indices[1]		Unit value indices[1]			
	Exports	Imports	Exports	Imports	Terms of trade[2]	World commodity prices index[3]
1969	77·1	77·9	47·7	40·4	118·1	30
1970	80·3	82·6	50·9	42·2	120·6	31
1971	85·5	85·8	53·8	44·2	121·7	33
1972	85·2	95·3	56·9	46·7	121·8	36
1973	97·7	108·8	64·1	59·6	107·6	54
1974	104·2	109·7	81·7	87·4	93·5	99
1975	100·0	100·0	100·0	100·0	100·0	100
1976	108·9†	106·1†	120·7	121·6†	99·3†	130
1977	117·5	107·9	142·5	140·6	101·3	149
1978	121·9	113·2	155·1	145·8	106·4	138
1979	127·6	126·8	172·5	160·4	107·5	
1974 *3*	107·5	110·8	84·2	90·4	93·1	99
4	102·3	108·4	88·3	93·0	94·9	101
1975 *1*	100·9	102·1	95·2	96·5	98·7	95
2	97·1	95·7	97·5	97·1	100·4	94
3	98·0	102·4	101·6	100·8	100·8	102
4	104·0	99·8	105·7	105·6	100·1	111
1976 *1*	105·4†	100·6†	110·6	109·8†	100·7†	115
2	108·8	106·8	116·9	118·4	98·7	129
3	109·2	109·1	123·9	124·4	99·6	135
4	112·1	107·9	131·5	133·7	98·4	145
1977 *1*	114·5	109·5	135·8	136·5	99·5	152
2	116·3	111·3	141·5	140·1	101·0	155
3	123·2	108·0	145·3	142·8	101·7	149
4	116·0	103·0	147·4	143·2	102·9	142
1978 *1*	118·7	114·1	149·6	140·9	106·2	136
2	121·3	110·3	153·2	145·3	105·4	143
3	123·9	115·4	157·0	147·3	106·6	138
4	123·9	112·9	160·6	149·6	107·4	138
1979 *1*	109·4	117·2	165·6	153·4	108·0	141
2	135·7	131·4	169·6	157·2	107·9	153
3	132·3	129·5	174·6	160·9	108·5	162[4]
4	132·8	129·1	180·2	169·9	106·1	
1978 *J*	124·7†	114·8†	155·3	146·8†	105·8†	138
A	123·6	111·8	157·0	147·2	106·7	136
S	123·4	119·7	158·7	148·0	107·3	137
O	125·0	111·4	159·1	149·1	106·7	136
N	121·6	114·2	161·3	149·4	108·0	138
D	125·1	113·0	161·5	150·4	107·4	137
1979 *J*	111·3	107·5	163·3	151·2	108·0	141
F	99·7	116·8	165·9	152·8	108·6	143
M	117·2	127·4	167·6	156·1	107·4	142
A	140·9	132·2	168·8	154·9	109·0	150
M	134·9	132·2	169·1	156·8	107·8	154
J	131·3	129·9	170·9	159·8	106·9	155
J	134·1	127·7	173·6	158·2†	109·7	161†
A	130·7	131·4	174·5	160·7	108·6	162[4]
S	132·0	129·3	175·6	163·9	107·1	166[4]
O	128·6	134·1	177·9	167·2	106·4	170[4]
N	133·7	125·0	180·6	170·2	106·1	
D	136·1	128·1	182·2	172·4	105·7	

[1] On a balance of payments basis.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[4] Provisional. [5] Projection by the Department of Industry.


£ million, seasonally adjusted
log scale
12,000
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
Imports (f.o.b.)
Exports (f.o.b.)
Unit values
1975=100, unadjusted, log scale
Exports
Imports
200
150
100
50
Volume
1975=100, seasonally adjusted, log scale
Exports
Imports
130
100
70
1974
1975
1976
1977
1978
1979

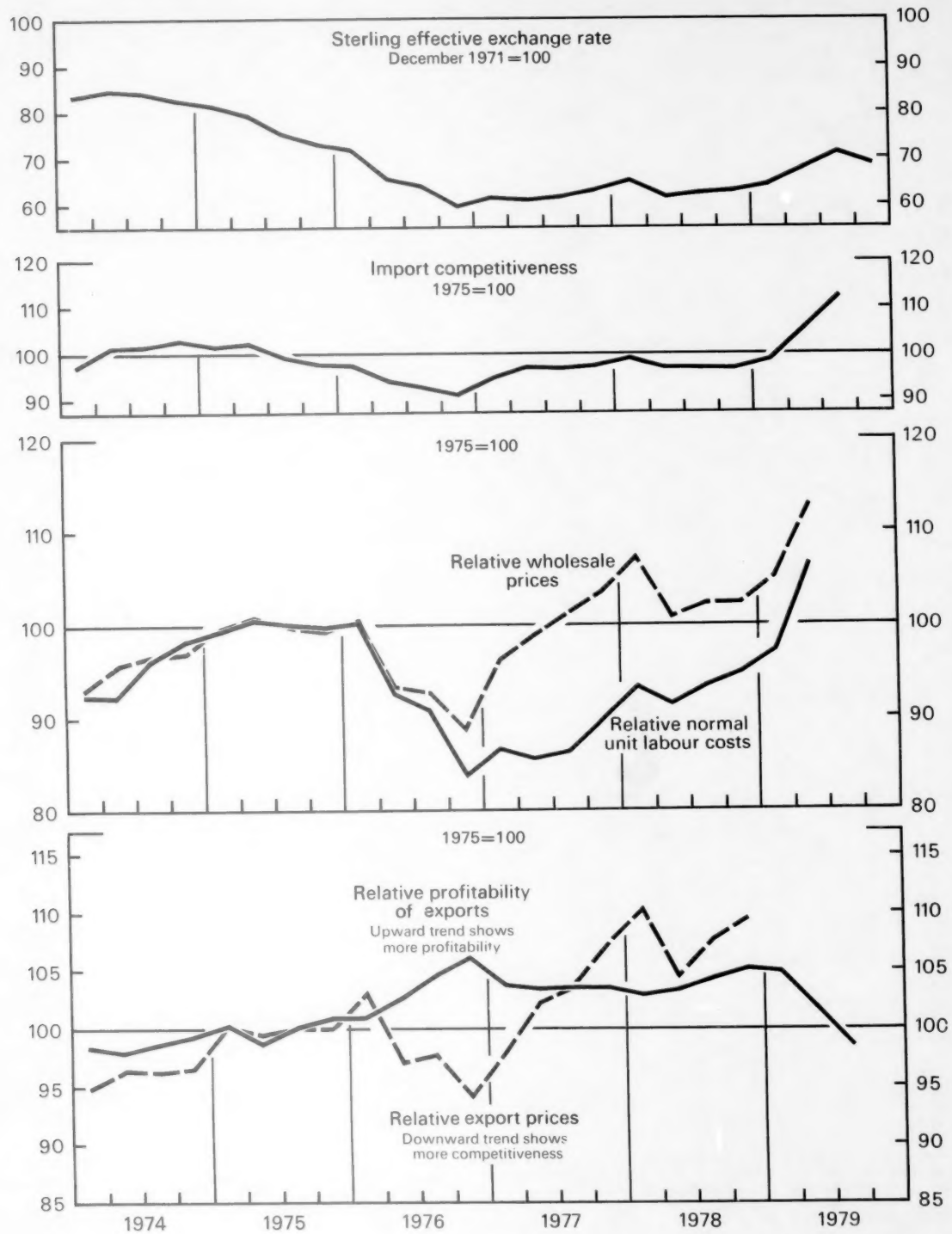
Measures of UK trade competitiveness

1975 =100

	Summary measures[1]					Export unit value index for manufactures[3]				
	Relative export prices[2]	Relative wholesale prices[2]	Relative normal unit labour costs[2]	Import price competitiveness	Relative profitability of exports	United Kingdom	United States	Japan	France	Federal Republic of Germany
1973	97·5	95·7	91·6†	95·9	98·2	71·7	71	79	72	75
1974	96·0	95·6	94·9	100·6	98·5	85·6	86	101	82	88
1975	100·0	100·0	100·0	100·0	100·0	100·0	100	100	100	100
1976	98·0†	93·8	91·9	93·7	103·5	98·3	107	99	98	102†
1977	102·7	99·9	87·2	96·4	103·5	112·6	112	108	105	110
1978	107·9	103·1	93·3	97·4	103·9	135·9	121	131†	121†	131
1977 *1*	98·0	96·1	86·8	94·4	103·7	105·2	110	110	102	109
2	102·1	98·9	85·8	96·9	103·4	109·9	111	107	103	110
3	103·5	101·0	86·4	96·8	103·5	114.0	113	110	107	112
4	107·2	103·6	89·9	97·3	103·5	121·4	116	115	109	117
1978 *1*	110·5	107·1	93·6	98·9	102·9	131·3	117	118	113	125
2	104·2	100·8	91·3	96·9	103·3	127·8	118	134	118	125
3	107·6	102·2	93·4	97·0	104·2	138·4	121	142	126	131
4	109·5	102·3	94·9	96·9	105·2	146·2	126	143	128	140
1979 *1*		105·1	97·1	98·7	104·9	152·8		143	132	143
2		112·6	106·3	105·5†	101·6	159·6		141	133	140
3				112·2	98·6					148
4										
	Percentage change, quarter on corresponding quarter of previous year.									
1978 *1*	*+12·8*	*+11·4*	*+ 7·8*	*+ 4·8*	*– 0·8*	*+24·8*	*+6*	*+ 7*	*+11*	*+15*
2	*+ 2·1*	*+ 1·9*	*+ 6·4*	*—*	*– 0·1*	*+16·3*	*+6*	*+25*	*+15*	*+14*
3	*+ 3·9*	*+ 1·2*	*+ 8·1*	*+ 0·2*	*+ 0·7*	*+21·4*	*+7*	*+29*	*+18*	*+17*
4	*+ 2·1*	*– 1·3*	*+ 5·6*	*– 0·4*	*+ 1·6*	*+20·4*	*+9*	*+24*	*+17*	*+20*
1979 *1*		*– 1·9*	*+ 3·7*	*– 0·2*	*+ 1·9*	*+16·4*		*+21*	*+17*	*+14*
2		*+11·7*	*+16·4*	*+ 8·9*	*– 1·6*	*+24·9*		*+ 5*	*+13*	*+12*
3				*+15·7*	*– 5·4*					*+13*
4										

	Wholesale price index[3]					Unit labour costs index[3]				
	United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom	United States	Japan	France	Federal Republic of Germany
1973	73·8	75·5	83·8	74·6	78·0	68	82	69	69	77
1974	86·5	90·1	100·2	80·1	90·6	80	89	83	74	89
1975	100·0	100·0	100·0	100·0	100·0	100	100	100	100	100
1976	95·3	104·6	104·9	96·5	101·4	92	101	100	95	96
1977	110·8	111·2	117·8	100·6	112·8	99	108	115	101	108
1978	132·8	119·4	148·5	119·8	132·2	123	115	144	118	129
1977 *1*	102·9	108·4	110·6	96·1	108·8	93	106	106	95	102
2	108·3	111·0	114·8	99·0	111·1	96	107	112	98	106
3	112·6	111·9	118·5	102·0	113·6	99†	108	117	103	109
4	119·4	113·3	127·1	105·3	117·9	108	110	126	106	115
1978 *1*	129·8	115·5	131·5	108·7	126·9	118	114	129	109	123
2	125·7	118·3	141·5	115·5	127·5	115	114	137	113	126
3	135·0	120·5	159·9	124·9	132·3	124	114	155	120	129
4	140·9	123·2	161·0	130·0	142·2	134	116	156	128	138
1979 *1*	147·0	127·0	154·8	133·9	146·3	140	120	147		143
2						145	122	136†		136
3							123			
4										
	Percentage change, quarter on corresponding quarter of previous year.									
1978 *1*	*+26·1*	*+ 6·5*	*+18·9*	*+13·1*	*+16·6*	*+27*	*+8*	*+22*	*+15*	*+21*
2	*+16·1*	*+ 6·6*	*+23·3*	*+16·7*	*+14·8*	*+20*	*+7*	*+22*	*+15*	*+19*
3	*+19·9*	*+ 7·7*	*+34·9*	*+22·5*	*+16·5*	*+25*	*+6*	*+32*	*+17*	*+18*
4	*+18·0*	*+ 8·7*	*+26·7*	*+23·5*	*+20·6*	*+24*	*+5*	*+24*	*+21*	*+20*
1979 *1*	*+13·3*	*+10·0*	*+17·7*	*+23·2*	*+15·3*	*+19*	*+5*	*+14*		*+16*
2						*+26*	*+7*	*– 1*		*+ 8*
3							*+8*			
4										

[1] The summary measures of competitiveness were described in *Economic Trends* No. 304, February 1979.
[2] Downward movements indicate greater competitiveness.
[3] All the indices are in terms of US dollars.
[4] Provisional.


Sterling effective exchange rate
December 1971=100
Import competitiveness
1975=100
1975=100
Relative wholesale prices
Relative normal unit labour costs
1975=100
Relative profitability of exports
Upward trend shows more profitability
Relative export prices
Downward trend shows more competitiveness
1974
1975
1976
1977
1978
1979

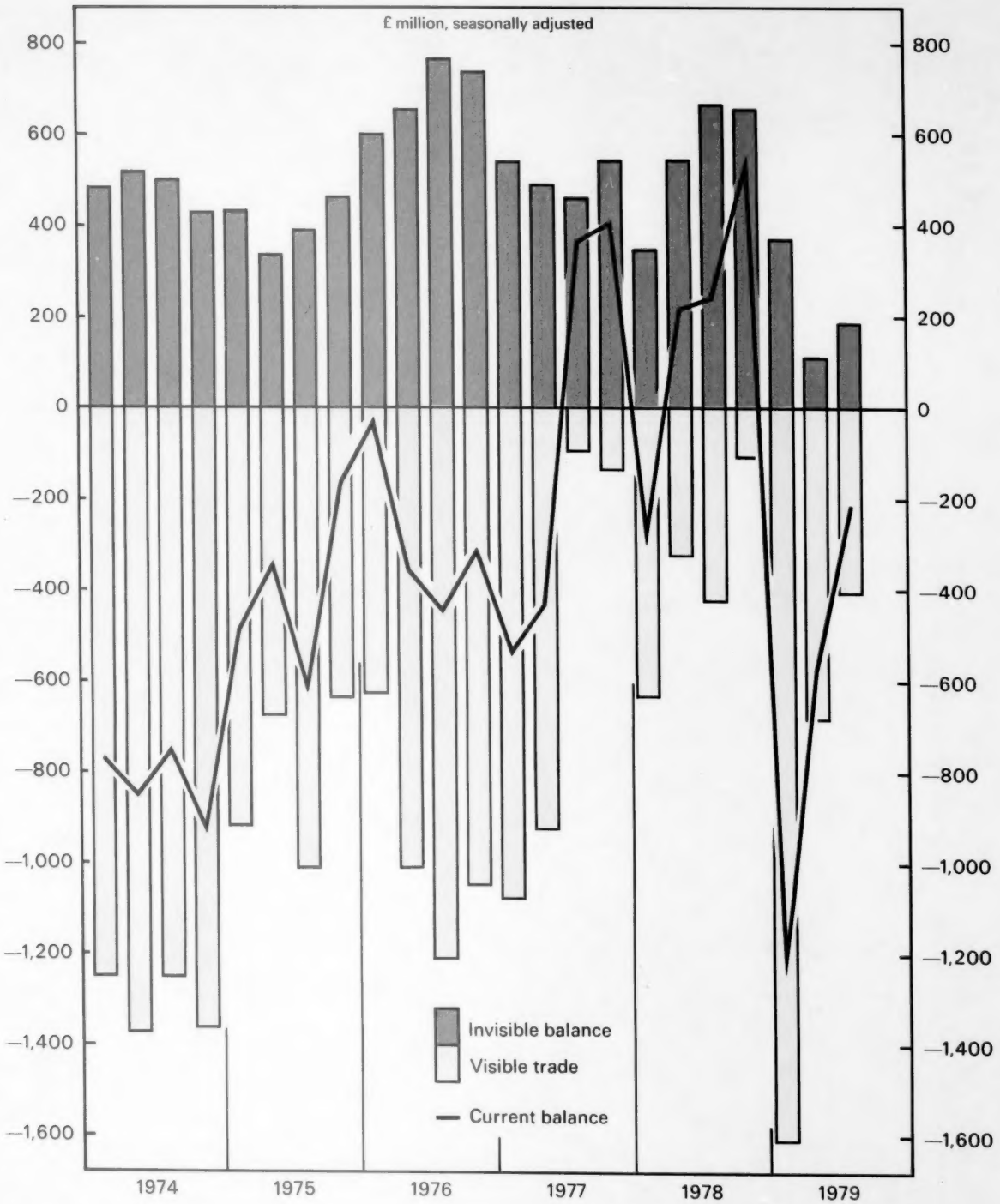
Balance of payments: current account

Seasonally adjusted

£ million

	Visible trade[1]			Invisibles						
						Balance				
	Exports (f.o.b.) §	Imports (f.o.b.) §	Balance	Credits	Debits	Total	Services	IPD	Transfers	Current balance
1969	7,269	7,441	−172	4,387	3,706	+681	+402	+500	−221	+509
1970	8,121	8,163	−42	5,078	4,260	+818	+453	+559	−194	+776
1971	9,060	8,799	+261	5,640	4,751	+889	+590	+510	−211	+1,150
1972	9,450	10,172	−722	6,221	5,291	+930	+655	+538	−263	+208
1973	12,115	14,498	−2,383	8,386	6,878	+1,508	+706	+1,260	−458	−875
1974	16,538	21,773	−5,235	10,328	8,400	+1,928	+946	+1,423	−441	−3,307
1975	19,463	22,699	−3,236	11,241	9,626	+1,615	+1,363	+762	−510	−1,621
1976	25,193†	29,104†	−3,911†	14,665	11,906	+2,759	+2,257	+1,299	−797	−1,152
1977	31,734	33,973	−2,239	16,413	14,376	+2,037	+2,991	+201	−1,155	−202
1978	35,071	36,564	−1,493	18,335	16,128	+2,207	+3,289	+836	−1,918	+714
1974 *1*	3,618	4,868	−1,250	2,530	2,048	+482	+181	+408	−107	−768
2	4,152	5,524	−1,372	2,572	2,054	+518	+232	+389	−103	−854
3	4,393	5,644	−1,251	2,566	2,066	+500	+283	+316	− 99	−751
4	4,375	5,737	−1,362	2,660	2,232	+428	+250	+310	−132	−934
1975 *1*	4,674	5,591	−917	2,737	2,308	+429	+316	+187	− 74	−488
2	4,601	5,275	−674	2,718	2,382	+336	+342	+147	−153	−338
3	4,845	5,854	−1,009	2,791	2,403	+388	+330	+181	−123	−621
4	5,343	5,979	−636	2,995	2,533	+462	+375	+247	−160	−174
1976 *1*	5,608†	6,237†	−629†	3,315	2,713	+602	+529	+266	−193	− 27
2	6,105	7,121	−1,016	3,541	2,887	+654	+501	+332	−179	−362
3	6,447	7,662	−1,215	3,800	3,035	+765	+605	+357	−197	−450
4	7,033	8,084	−1,051	4,009	3,271	+738	+622	+344	−228	−313
1977 *1*	7,428	8,508	−1,080	3,987	3,447	+540	+681	+106	−247	−540
2	7,827	8,750	−923	4,067	3,576	+491	+777	+ 1	−287	−432
3	8,423	8,520	− 97	4,168	3,708	+460	+757	+ 37	−334	+363
4	8,056	8,195	−139	4,191	3,645	+546	+776	+ 57	−287	+407
1978 *1*	8,332	8,970	−638	4,288	3,942	+346	+762	+124	−540	−292
2	8,610	8,933	−323	4,480	3,938	+542	+710	+271	−439	+219
3	8,989	9,414	−425	4,747	4,081	+666	+897	+280	−511	+241
4	9,140	9,247	−107	4,820	4,167	+653	+920	+161	−428	+546
1979 *1*	8,277	9,887	−1,610	4,777†	4,405†	+372†	+667	+220	−515	−1,238
2	10,586	11,268	−682	5,055	4,948	+107	+739	− 58	−574	−575
3	10,728	11,134	−406	5,366	5,180	+186	+882	− 50	−646	−220
4										
1978 *J*	2,996†	3,164†	−168†	..	..	+222[2]†	..	..	..	+ 54
A	2,976	2,997	− 21	..	..	+222[2]	..	..	..	+201
S	3,017	3,253	−236	..	..	+222[2]	..	..	..	− 14
O	3,042	3,049	− 7	..	..	+218[2]	..	..	..	+211
N	2,979	3,117	−138	..	..	+218[2]	..	..	..	+ 80
D	3,119	3,081	+ 38	..	..	+217[2]	..	..	..	+255
1979 *J*	2,748	2,928	−180	..	..	+124[2]	..	..	..	− 56
F	2,525	3,310	−785	..	..	+124[2]	..	..	..	−661
M	3,004	3,649	− 45	..	..	+124[2]	..	..	..	−521
A	3,616	3,780	−164	..	..	+ 36[2]	..	..	..	−128
M	3,509	3,796	−287	..	..	+ 35[2]	..	..	..	−252
J	3,461	3,692	−231	..	..	+ 36[2]	..	..	..	−195
J	3,600	3,627	− 27	..	..	+ 62[2]	..	..	..	+ 35
A	3,545	3,739	−194	..	..	+ 62[2]	..	..	..	−132
S	3,583	3,768	−185	..	..	+ 62[2]	..	..	..	−123
O				..	..	+ 50[3]	..	..	..	
N				..	..	+ 50[3]	..	..	..	
D				..	..		..	..	..	

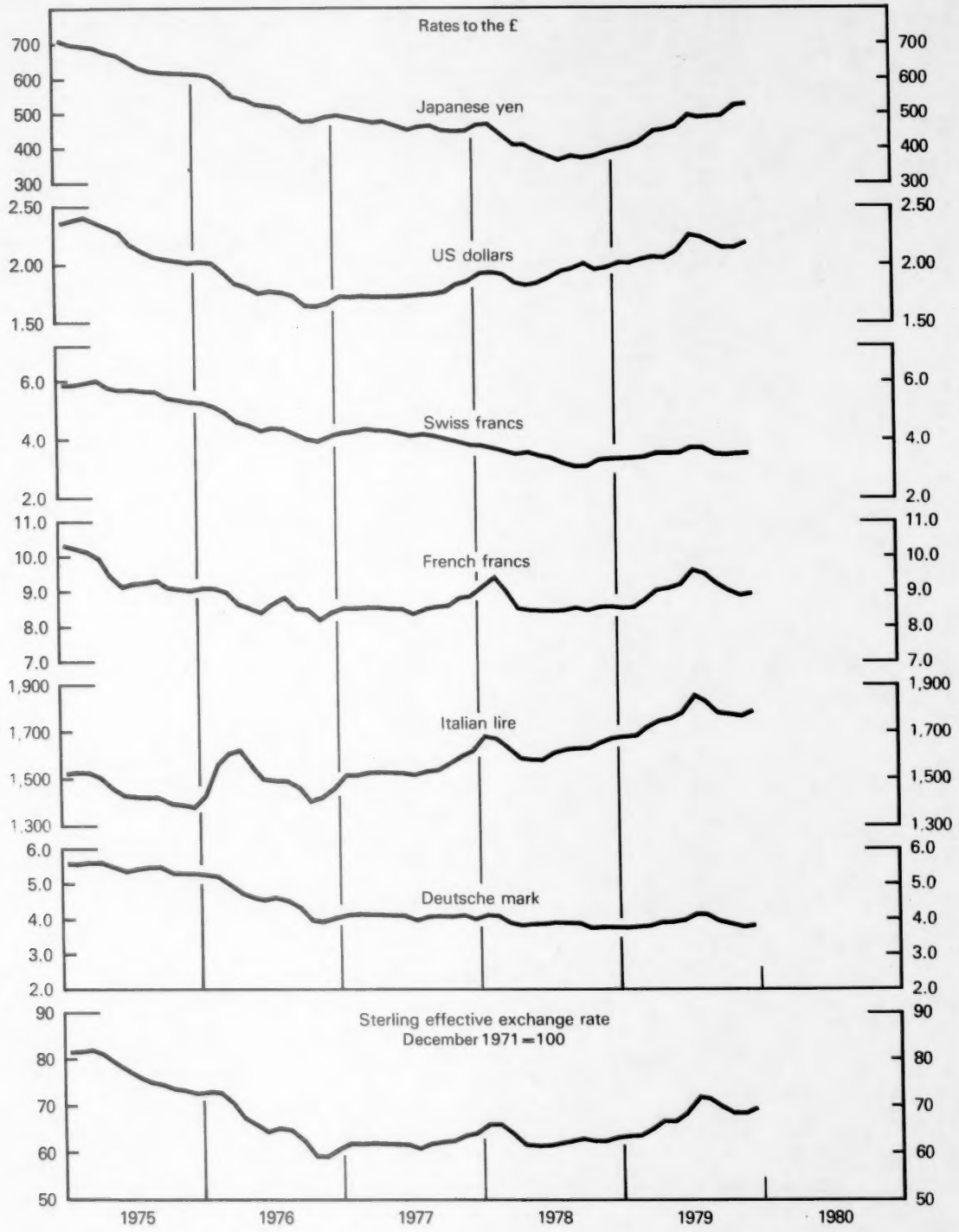
[1] Previously published figures back to 1976 have been revised by the Department of Trade in the light of later information on balance of payments adjustments. Revisions for earlier periods are not yet available.
[2] One third of the appropriate calendar quarter's estimate; monthly figures of invisibles are not available.
[3] These figures are projections and are subject to revision as the relevant statistical information becomes available.


£ million, seasonally adjusted
800
600
400
200
0
—200
—400
—600
—800
—1,000
—1,200
—1,400
—1,600
Invisible balance
Visible trade
Current balance
1974
1975
1976
1977
1978
1979

Sterling exchange rates

		Sterling exchange rate against major currencies[1]						Dec 1971 =100
		Japanese yen	US dollars	Swiss francs	French francs	Italian lire	Deutsche-marks	Sterling effective exchange rate
1969		..	2·390	10·308	12·43	1,499	9·379	99·9
1970		857·8	2·396	10·327	13·24	1,502	8·736	98·9
1971		844·6	2·444	10·069	13·46	1,511	8·530	98·8
1972		752·3	2·502	9·554	12·62	1,460	7·975	95·2
1973		664·6	2·453	7·758	10·90	1,426	6,540	86·3
1974		682·7	2·340	6·965	11·25	1,522	6·049	83·6
1975		658·1	2·220	5·723	9·50	1,447	5·447	77·2
1976		535·4	1·805	4·521	8·61	1,497	4·552	65·4
1977		467·7	1·746	4·189	8·57	1,540	4·050	62·1
1978		402·7	1·920	3·423	8·65	1,628	3·850	63·0
1979		465·6	2·122	3·525	9·02	1,762	3·887	67·8
1975	*1*	700·4	2·392	5·956	10·23	1,525	5·586	81·7
	2	679·2	2·325	5·857	9·50	1,461	5·474	79·1
	3	634·1	2·128	5·673	9·26	1,415	5·429	75·2
	4	620·0	2·043	5·413	9·03	1,389	5·304	73·0
1976	*1*	604·3	2·000	5·157	9·04	1,528	5·148	72·0
	2	540·2	1·807	4·508	8·49	1,556	4·621	65·8
	3	514·1	1·767	4·380	8·67	1,483	4·474	64·1
	4	484·8	1·651	4·039	8·33	1,424	3·978	59·6
1977	*1*	489·1	1·714	4·321	8·53	1,514	4·107	61·8
	2	472·9	1·719	4·315	8·51	1,523	4·060	61·6
	3	461·7	1·735	4·160	8·49	1,532	4·004	61·8
	4	447·4	1·814	3·960	8·77	1,593	4·031	63·3
1978	*1*	458·5	1·928	3·719	9·17	1,662	4·011	65·4
	2	404·9	1·836	3·517	8·45	1,584	3·809	61·5
	3	372·3	1·932	3·241	8·46	1,617	3·875	62·4
	4	377·7	1·984	3·227	8·52	1,650	3·719	62·7
1979	*1*	406·1	2·016	3·375	8·60	1,691	3·739	64·0
	2	452·9	2·081	3·565	9·10	1,762	3·943	67·4
	3	490·1	2·233	3·654	9·45	1,824	4·056	71·0
	4	514·6	2·159	3·505	8·94	1,772	3·810	68·8
1978	*J*	379·0	1·894	3·414	8·41	1,604	3·892	62·1
	A	365·7	1·942	3·232	8·43	1,623	3·873	62·4
	S	372·1	1·959	3·078	8·54	1,625	3·859	62·7
	O	368·6	2·007	3·080	8·45	1,628	3·693	62·5
	N	375·8	1·960	3·276	8·54	1,651	3·732	62·5
	D	388·8	1·984	3·325	8·57	1,671	3·731	63·2
1979	*J*	396·4	2·006	3·348	8·52	1,677	3·708	63·5
	F	401·6	2·004	3·357	8·56	1,683	3·720	63·7
	M	420·5	2·038	3·420	8·73	1,714	3·790	65·0
	A	447·9	2·073	3·555	9·02	1,748	3·926	66·9
	M	449·6	2·058	3·554	9·08	1,752	3·926	66·9
	J	461·3	2·112	3·585	9·21	1,785	3·977	68·3
	J	493·7	2·260	3·721	9·60	1,854	4·122	71·9
	A	487·4	2·238	3·708	9·52	1,833	4·095	71·4
	S	489·2	2·200	3·532	9·24	1,785	3·950	69·8
	O	493·3	2·145	3·491	9·00	1,770	3·836	68·4
	N	522·5	2·133	3·508	8·87	1,760	3·781	68·4
	D	528·0	2·198	3·517	8·94	1,785	3·813	69·7

[1] Average of daily Telegraphic Transfer rates in London.


Rates to the £
Japanese yen
US dollars
Swiss francs
French francs
Italian lire
Deutsche mark
Sterling effective exchange rate
December 1971 = 100
1975
1976
1977
1978
1979
1980

Money stock

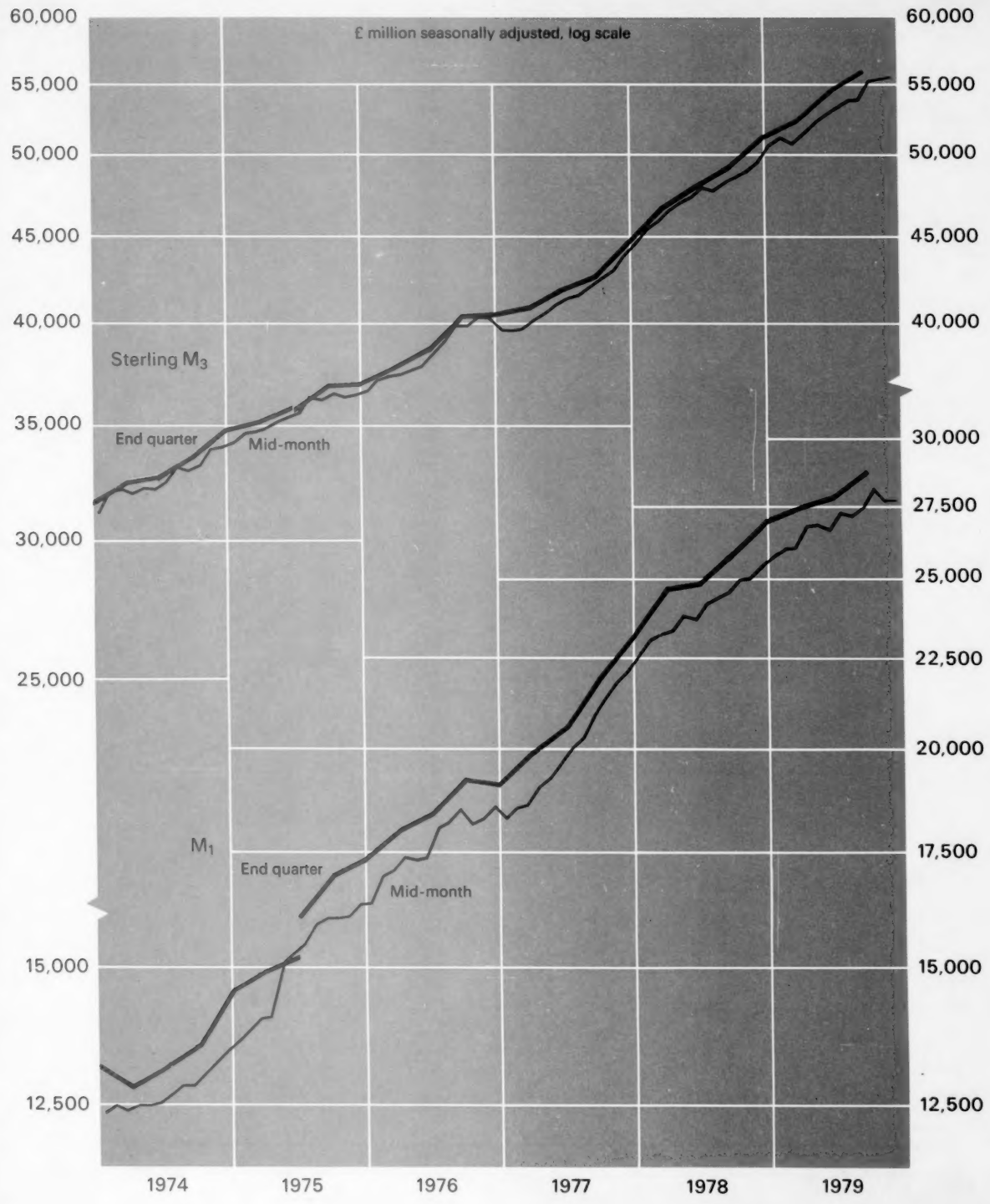
£ million: amounts outstanding

	M_1			Sterling M_3			M_3			Velocity of circulation[1]		
	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted §	Changes (seasonally adjusted)	*Percentage change*	M_1	Sterling M_3	M_3
At end period												
1974 *1*	12,690	−334	*−2·6*	32,480	1,065	*+3·4*	34,260	1,406	*+4·3*	5·888	2·370	2·257†
2	13,100	409	*+3·2*	32,690	214	*+0·7*	34,870	621	*+1·8*	6·339	2·509	2·365
3	13,450	357	*+2·7*	33,430	745	*+2·3*	35,930	1,065	*+3·1*	6·629	2·662	2·486
4	14,470	1,005	*+7·5*	34,670	1,231	*+3·7*	37,070	1,129	*+3·1*	6·472	2·654	2·476
1975 *1*	14,780	288	*+2·0*	35,220	520	*+1·5*	37,740	641	*+1·7*	6·520	2·729	2·549
2[2]	15,170	386	*+2·6*	35,730	505	*+1·4*	38,080	337	*+0·9*	6·813	2·911†	2·724
	15,900			35,710			38,060					
3	16,690	793	*+5·0*	36,900	1,195	*+3·3*	39,690	1,632	*+4·3*	6·654	2·953	2·757
4[3]	17,220	551	*+3·3*	36,980	111	*+0·3*	39,950	293	*+0·7*	6·666	3·060	2·838
1976 *1*	17,880	698	*+4·1*	37,680	702	*+1·9*	40,830	873	*+2·2*	6·738†	3·168	2·928†
2	18,340	470	*+2·6*	38,690	1,019	*+2·7*	42,260	1,435	*+3·5*	6·675	3·166	2·910
3	19,180	842	*+4·6*	40,320	1,648	*+4·3*	44,350	2,117	*+5·0*	6·727	3·194	2·914
4	18,950	−223	*−1·2*	40,280	− 1	—	44,250	− 66	*−0·1*	6·924	3·276	2·980
1977 *1*	19,700	759	*+4·0*	40,810	566	*+1·4*	45,090	877	*+2·0*	6·902	3·290	2·986
2	20,520	821	*+4·2*	41,950	1,149	*+2·8*	46,620	1,538	*+3·4*	6·924	3·365	3·036
3	21,840	1,325	*+6·5*	42,760	804	*+1·9*	47,170	551	*+1·2*	6·866	3·434	3·101
4[4]	23,090	1,271	*+5·8*	44,340	1,595	*+3·7*	48,610	1,454	*+3·1*	6·646	3·428	3·118
1978 *1*	24,240	1,157	*+5·0*	46,730	2,405	*+5·4*	51,260	2,662	*+5·5*	6·520	3·388	3·090
2	24,660	431	*+1·8*	48,090	1,374	*+2·9*	53,320	2,072	*+4·0*	6·517	3·361	3·047
3	25,790	1,124	*+4·6*	49,260	1,172	*+2·4*	54,190	870	*+1·6*	6·573	3·406	3·084
4	26,940	1,159	*+4·5*	51,080	1,816	*+3·7*	55,980	1,794	*+3·3*	6·417	3·372	3·071
1979 *1*	27,430	493	*+1·8*	52,150	1,058	*+2·1*	56,840	849	*+1·5*	6·202	3·266	2·989
2	27,800	362	*+1·3*	54,210	2,049	*+3·9*	59,380	2,523	*+4·4*	6·542	3·397	3·109
3	28,640	838	*+3·0*	55,720	1,515	*+2·8*	60,570	1,188	*+2·0*	6·683	3·431	3·144
At mid-month												
1978 *A*	23,340	236	*+1·0*	46,310	669	*+1·5*	50,960	1,233	*+2·5*	..	..	..
M	23,700	365	*+1·6*	46,840	540	*+1·2*	51,850	898	*+1·8*	..	..	..
J	23,660	− 28	*−0·1*	47,210	383	*+0·8*	52,300	455	*+0·9*	..	..	..
J	24,210	548	*+2·3*	47,880	666	*+1·4*	52,790	491	*+0·9*	..	..	..
A	24,370	151	*+0·6*	47,670	−223	*−0·5*	52,170	−638	*−1·2*	..	..	..
S	24,620	249	*+1·0*	48,140	460	*+1·0*	52,670	486	*+0·9*	..	..	..
O	24,860	236	*+1·0*	48,490	334	*+0·7*	53,130	449	*+0·9*	..	..	..
N	24,900	43	*+0·2*	48,800	306	*+0·6*	53,750	615	*+1·2*	..	..	..
D	25,490	585	*+2·3*	49,520	710	*+1·5*	54,370	612	*+1·1*	..	..	..
1979 *J*	25,730	213	*+0·8*	50,570	996	*+2·0*	55,260	833	*+1·5*	..	..	..
F	25,930	195	*+0·8*	51,080	507	*+1·0*	55,940	677	*+1·2*	..	..	..
M	25,960	35	*+0·1*	50,640	−443	*−0·9*	55,220	−721	*−1·3*	..	..	..
A	26,750	785	*+3·0*	51,360	721	*+1·4*	55,910†	696	*+1·3*	..	..	..
M	26,790	39	*+0·1*	52,090	729	*+1·4*	56,930	1,016	*+1·8*	..	..	..
J	26,570	−213	*−0·8*	52,690	601	*+1·2*	57,760	830†	*+1·5*	..	..	..
J	27,210	642	*+2·4*	53,110	427	*+0·8*	57,770	16	—	..	..	..
A	27,190	− 5	—	53,640	549	*+1·0*	58,220	480	*+0·8*	..	..	..
S	27,300	118	*+0·4*	53,950	333	*+0·6*	58,590	390	*+0·7*	..	..	..
O	28,220†	935	*+3·4*	55,010	1,074†	*+2·0*	59,920	1,344†	*+2·3†*	..	..	..
N	27,610	−588†	*−2·1*	55,310†	352	*+0·6*	60,890†	1,021	*+1·7*	..	..	..
D	27,610	4	—	55,510	212	*+0·4*	60,680	−200	*−0·3*	..	..	..

[1] Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_1/sterling M_3/M_3 seasonally adjusted.

[2] At mid-May 1975 new statistical returns were introduced. The first line of figures for end-June 1975, includes a number of estimates to provide reasonable consistency with earlier dates. [3] The amounts outstanding at end-December 1975 are shown after the exclusion of one contributor to the series, but the effect on the figures is very small. The changes have been adjusted to exclude the effect of the reduction in the number of contributors.

[4] From end-December 1977 the coverage of UK holders of dollar certificates of deposit has been somewhat expanded: the effect of this has been excluded from the change in M_3.


£ million seasonally adjusted, log scale
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
15,000
12,500
Sterling M3
End quarter
Mid-month
M1
End quarter
Mid-month
30,000
27,500
25,000
22,500
20,000
17,500
1974
1975
1976
1977
1978
1979

Domestic credit expansion and changes in money stock

Seasonally adjusted[1]

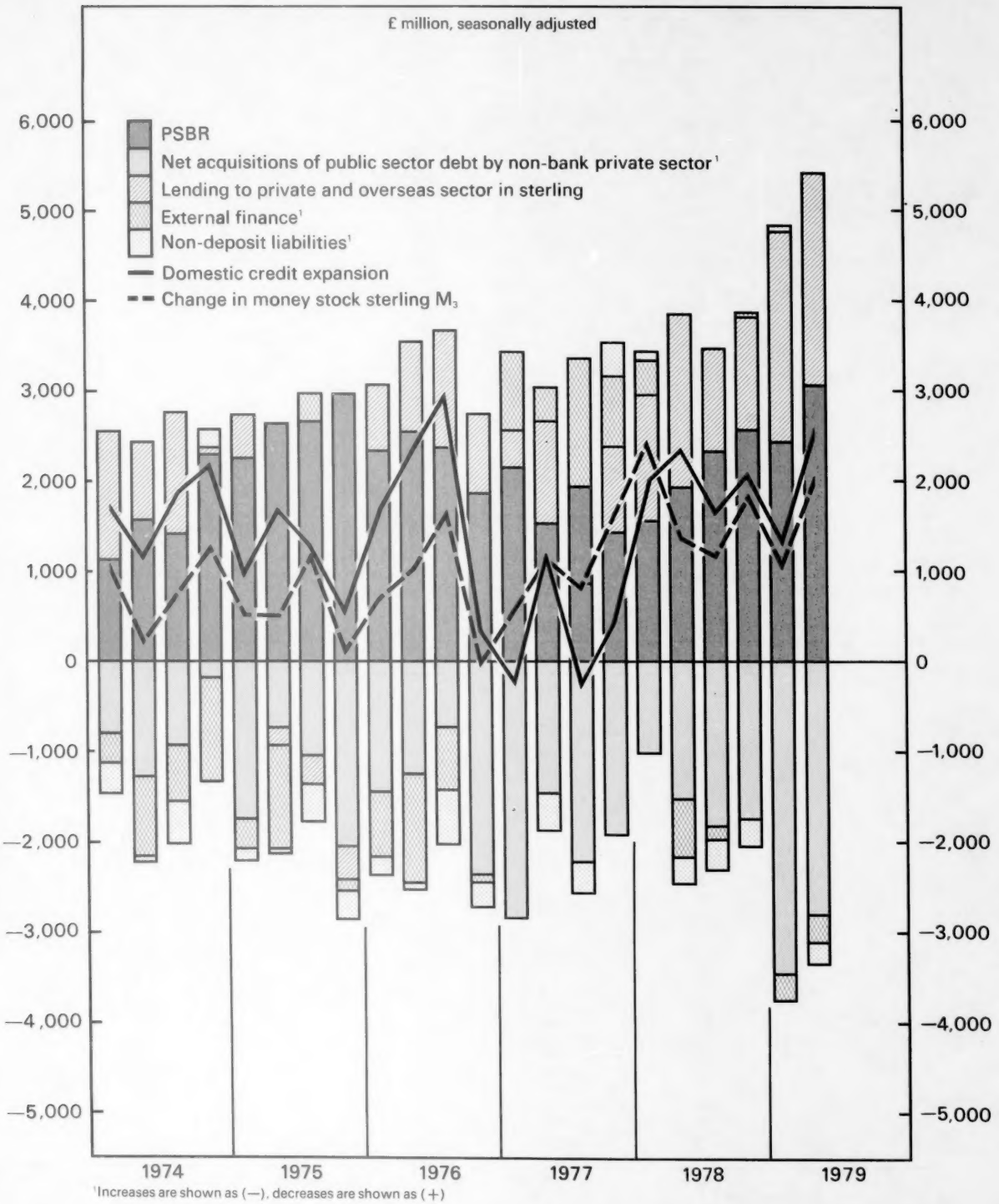
£ million

	Public sector borrowing requirement		Net acquisition of public sector debt by UK non-bank private sector		Sterling lending to UK private sector[2]	Bank lending in sterling to overseas	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M_3
	Central government borrowing requirement	Other public sector contribution	Other public sector debt	Central government debt						
	1	2	3	4	5	6	7	8	9	10
1975	8,345	2,140†	205†	5,344†	— 371	— 34†	4,531†	1,301†	898	2,331
1976	6,786	2,344	296	5,460	3,264†	647	7,285	2,744	1,176	3,565
1977	4,469	1,525	549	7,912	3,188	405	1,126	—3,395	391	4,130
1978	8,371†	—20	—315	6,343	4,705	1,055	8,083	419	892	6,772
1974 *3*	763	641†	473†	447	1,346	21	1,851†	635†	471†	745†
4	1,630	669	525	— 345	— 42	118	2,195	1,152	— 188	1,231
1975 *1*	1,330	916	80	1,660	603	—124	985	342	123	520
2	1,894†	728	227	496	— 349	148	1,698	1,154	39	505
3	2,686	—40	— 195	1,227†	— 347	21	1,288	— 327	420	1,195
4	2,435	536	93	1,961	— 278	— 79	560	132	316	111
1976 *1*	1,807	515	20	1,420	419	343	1,644	715	227	702
2	1,734	808	186	1,048	733	261	2,302	1,226	57	1,019
3	1,980	389	58	665	1,104	199	2,949	695	606	1,648
4	1,265	632	32	2,327	1,011	—156	393	108	286	— 1
1977 *1*	1,583	562	480	2,365	494	— 85	— 291	— 858	1	566
2	1,094	454	293	1,180	967	181	1,223	— 335	409	149
3	235	643	— 72	2,287	900	160	— 277	—1,427	346	804
4	1,557	—134	— 152	2,080	811	149	455	— 775	— 365	1,595
1978 *1*	1,367	190	— 144	1,155	759	645	1,950	— 373	— 82	2,405
2	2,157	—244	— 343	1,809	1,644	291	2,382	667	341	1,374
3	2,393	—73	312	1,499	1,107	46	1,662	175	315	1,172
4	2,454	107	— 140	1,880	1,190	73	2,084	— 50	318	1,816
1979 *1*	1,056	1,405	520	2,966	2,415	— 76	1,314	306	— 50	1,058
2	3,274	—243	— 87	2,866	2,369	— 24	2,597	226	322	2,049
3	2,808	862	435	1,827	2,148	107	3,663	1,570	578	1,515
Month ended										
1978 April 19	613		274	270	294	135	1,046	511	—134	669
May 17	1,061		—176	510	796	31	1,202	555	107	540
June 21	748		302	1,193	501	148	506	65	58	383
July 19	240		30	559	428	— 21	118	— 463	— 85	666
Aug. 16	391		—468	450	311	20	— 196	— 54	81	— 223
Sept. 20	1,403		— 24	734	16	— 10	651	— 103	294	460
Oct. 18	368		— 60	228	397	— 14	463	179	— 50	334
Nov. 15	890		—186	779	443	—117	251	— 165	110	306
Dec. 13	756		401	709	474	137	1,059	289	60	710
1979 Jan. 17	593		151	494	483	62	795	— 186	— 15	996
Feb. 21	648		338	920	1,129	—147	1,048	313	228	507
Mar. 21	— 30		297†	1,320	729	8	—316†	93†	34†	—443
April 18	1,464		130	1,339	535	29	819	87	11	721
May 16	853		—215	521	819	61	997	132	136	729
June 20	1,250		133	1451	1,026	— 73	885	6	278	601
July 18	786		119	841	381	— 6	439	13	— 1	427
Aug. 15	281		202	238	696	116	1,057	359	149	549
Sept.19	1,647		129	986	162	— 27	925	522	70	333
Oct. 17	937		—622	—54	1,213	— 32	1,550	384	92	1,074†
Nov. 21	731		83	410	750	103	1,257	882	23	352
Dec. 12	1,470		—152	1,260	212	— 17	253	—196	237	212

Relationship between columns: 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 − 8 − 9 (The figures combined in the bracket are column 2 *less* column 3).

[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.



[1]Increases are shown as (—), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government									
	Receipts[2]		Expenditure							
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers			Net lending, etc.[3]	Total	Public expenditure[4]
			Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest			
1974	29,970	3,704	16,558	4,450	11,199	1,092	3,608	2,239	39,146	36,107
1975	38,519	4,435	23,050	5,065	14,366	1,193	4,212	3,756	51,642	47,736
1976	44,701	5,263	26,683	5,482	17,012	1,425	5,395	2,365	58,362	53,980
1977	50,969	5,924	29,167	4,936	19,521	1,494	6,371	249	61,738	56,782†
1978	56,480	6,382	32,693	4,523	23,151	1,977	7,302	1,701†	71,347†	65,692
1975 *3*	9,985	1,192	5,890	1,208	3,618	297	1,248	880	13,141	12,061
4	10,340	1,102	6,214	1,370	3,851	319	1,034	876	13,664	12,713
1976 *1*	10,940	1,357	6,420	1,693	4,127	385	1,522	939	15,086	13,827
2	10,722	1,216	6,614	1,207	4,250	309	1,004	500	13,884	12,943
3	11,106	1,408	6,728	1,299	4,214	324	1,629	741	14,935	13,710
4	11,933	1,282	6,921	1,283	4,421	407	1,240	185	14,457	13,500
1977 *1*	12,701	1,545	7,017	1,566	4,753	464	1 832	431	16 063	14,685
2	12,358	1,380	7,257	1,028	4,839	351	1,313	−178	14,610	13,600†
3	12,836	1,697	7,370	1,167	4,855	317	1,746	88	15,543	13,976
4	13,074	1,302	7,523	1,175	5,074	362	1,480	−92	15,522	14,521
1978 *1*	14,100	1,687	7,915	1,412	5,665	676	1,996	66	17,730	16,165
2	13,482	1,498	7,985	930	5,678	395	1,477	468†	16,933†	15,758
3	13,861	1,681	8,196	1,115	5,758	433	1,974	718	18,194	16,553
4	15,037	1,516	8,597	1,066	6,050	473	1,855	449	18,490	17,216
1979 *1*	16,057†	1,903†	8,768†	1,487†	6,534†	487†	2,374†	474	20,124	18,381
2	16,003	1,695	9,119	1,028	6,765	456	1,892	732	19,992	18,408
3	17,214	1,914	9,673	1,345	6,741	447	2,517	1,151	21,874	20,033
4										

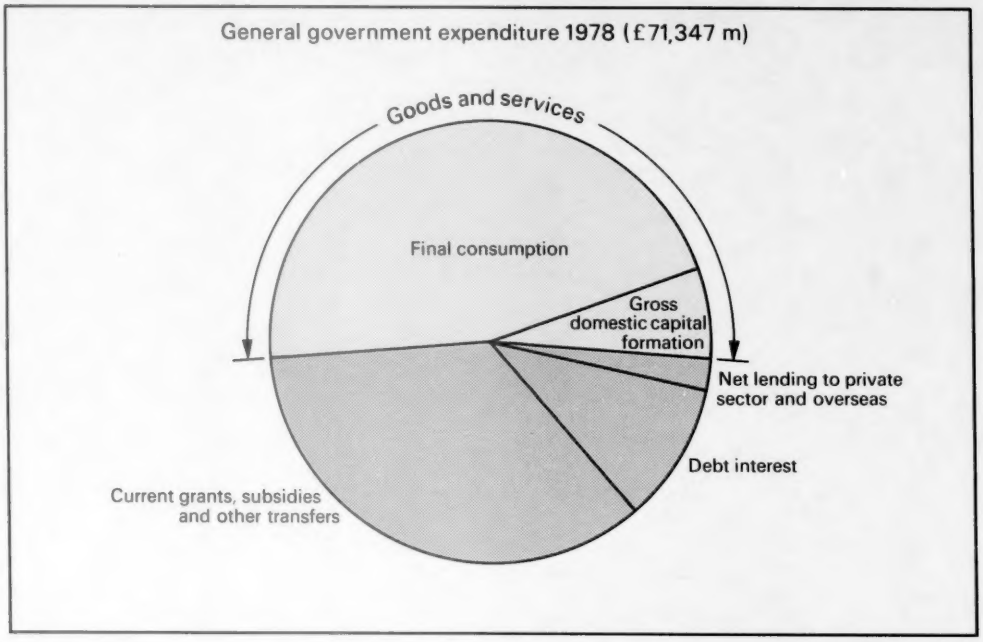
[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).
[4] As defined in the public expenditure White Paper (Cmnd. 7746). A reconciliation with the total of general government expenditure is shown in Table 2·4 of *Financial Statistics*.

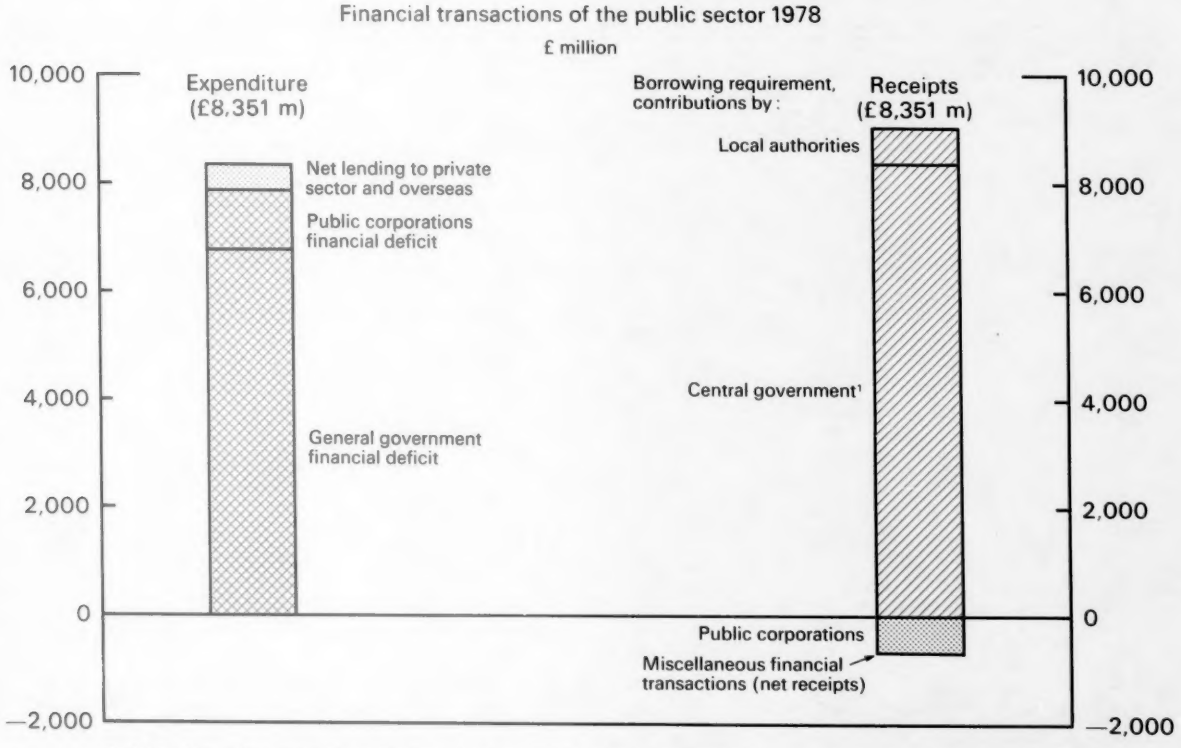
Financial transactions of the public sector

£ million

	Financial deficit[1]					Receipts					
							Borrowing requirement				
								Contributions by:			
	Total	General government[2]	Public corporations	Net lending etc., to private sector and overseas[3]	Total	Financial transactions (net receipts)	Total	Central government[4]	Local authorities	Public corporations	Seasonally adjusted total[5§]
1974	4.721	3,233	1,488	1,696	6,417	38†	6,379†	3,523	2,107	749†	6,379†
1975	7,882	4,932	2,950	1,831	9,713	−772	10,485	8,345	1,629	511	10,485
1976	8,187	6,033	2,154	1,286	9,473	343	9,130	6,786	1,103	1,241	9,130
1977	5,806	4,596	1,210	150	5,956	−38	5,994	4,469	183	1,342	5,994
1978	7,877	6,784	1,093	472	8,349	−2	8,351	8,371	658	−678	8,351
1976 *1*	2,586	1,850	736	363	2,949	1,342	1,607	1,414	188	5	2,322
2	1,961	1,446	515	431	2,392	−530†	2,922†	2,204	274	444†	2,542†
3	2,450	1,680	770	288	2,738	475	2,263	1,655	279	329	2,369
4	1,190	1,057	133	204	1,394	−944	2,338	1,513	362	463	1,897
1977 *1*	1,624	1,386	238	315	1,939	939	1,000	572	463	−35	2,145
2	1,267	1,050	217	12	1,279	−805	2,084	1,803	−256	537	1,548
3	1,655	922	733	20	1,675	732	943	210	269	464	878
4	1,260	1,238	22	−197	1,063	−904	1,967	1,884	−293	376	1,423
1978 *1*	2,068	1,877	191	−116	1,952	1,349	603	534	709	−640	1,557
2	1,786	1,485	301	172	1,958	−259	2,217	2,659	−136	−306	1,913
3	2,526	1,934	592	280	2,806	509	2,297	2,259	154	−116	2,320
4	1,497	1,488	9	136	1,633	−1,601	3,234	2,919	− 69	384	2,561
1979 *1*	2,188†	1,690†	498†	135†	2,323†	788	1,535	247	1,001	287	2,461
2	1,741	1,562	179	298	2,039	−1,302	3,341	3,797	−255	−201	3,031
3	2,270	1,595	675	204	2,474	−1,320	3,794	2,825	667	302	3,670
4											

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2. [3] Including cash expenditure on company securities (net).
[4] Including borrowing matched by on-lending to local authorities and public corporations. [5] Calendar year constrained.


General government expenditure 1978 (£71,347 m)
Goods and services
Final consumption
Gross domestic capital formation
Net lending to private sector and overseas
Debt interest
Current grants, subsidies and other transfers



[1]Including borrowing matched by on-lending to local authorities and public corporations

Sector financial accounts

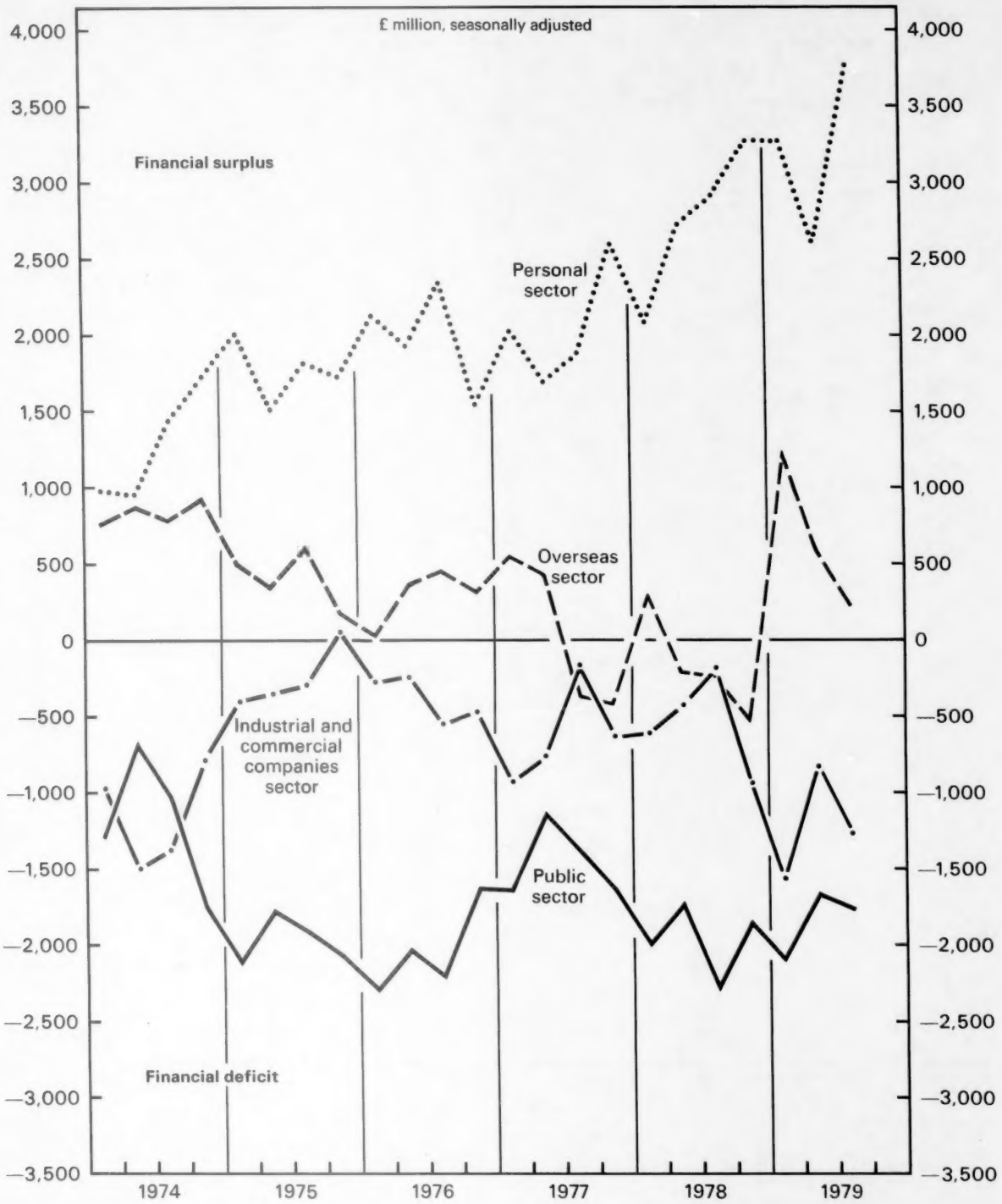
Seasonally adjusted

£ million

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1973	3,196	48	5,902	1,162	−129	1,303	6,827	347	8,482
1974	2,722	110	7,553	1,096	−193	1,458	7,119	332	12,069
1975	2,128	− 34	9,976	1,073	− 65	1,698	7,884	404	9,278
1976	2,885	−204	10,868	1,734	− 97	2,034	11,335	358	13,228
1977	4,298	−232	9,872	1,764	−101	2,355	12,082	251	14,834
1978	2,510	−574	9,813	2,301	− 65	3,222	12,931	352	15,466
1975 *1*	254	− 30	2,355	217	53	361	1,844	69	2,312
2	598	39	2,409	221	− 40	412	1,708	92	2,151
3	609	− 24	2,496	288	− 40	479	1,947	126	2,372
4	667	− 19	2,716	347	− 38	446	2,385	117	2,443
1976 *1*	535	− 9	2,832	304	− 5	446	2,366	66	2,717
2	802	− 48	2,784	319	− 31	494	2,689	106	3,030
3	499	− 54	2,661	506	− 31	553	2,922	93	3,568
4	1,049	− 93	2,591	605	− 30	541	3,358	93	3,913
1977 *1*	1,106	− 83	2,670	505	10	492	3,166	38	4,144
2	1,294	− 78	2,348	422	− 38	502	3,086	96	3,942
3	1,163	− 52	2,500	483	− 37	714	3,036	58	3,252
4	735	− 19	2,354	354	− 36	647	2,794	59	3,496
1978 *1*	687	−256	2,433	343	103	844	2,895	88	3,595
2	867	−121	2,474	545	− 54	854	3,330	92	3,862
3	298	−102	2,494	696	− 57	719	3,634	85	3,907
4	658	− 95	2,412	717	− 57	805	3,072	87	4,102
1979 *1*	737†	− 60†	2,783†	843†	− 15	843†	3,494†	50†	5,111†
2	931	−123	2,447	766	− 59	1,051	4,121	111	5,062
3	1,126	− 60	2,898	904	− 64†	808	3,933	98	5,304
4									

	Personal sector			Net acquisition of financial assets[4]					
	Savings[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1973	5,628	−325	2,998	−2,658	−270	−1,308	2,305	934	997
1974	8,598	−324	3,158	−4,721	−555	−4,618	5,116	3,382	1,396
1975	11,003	−305	3,645	−7,882	−690	−990	7,053	1,621	888
1976	12,617	−57	4,604	−8,187	−397	−1,535	7,956	1,152†	1,011†
1977	13,616	82	5,508	−5,806	−692	−2,501	8,190	202	607
1978	17,214	287	6,494	−7,877	−986	−2,183	11,007	−714	753
1975 *1*	2,926	−92	823	−2,131	−91	−399	2,011	488†	122†
2	2,485	−91	889	−1,772	−231	−351	1,505	338	511
3	2,819	−62	945	−1,911	−231	−299	1,812	621	8
4	2,773	−60	988	−2,068	−137	59	1,725	174	247
1976 *1*	3,223	−52	1,042	−2,306	−147	−285	2,129	27	582
2	3,031	−27	1,072	−2,030	−206	−235	1,932	362	177
3	3,568	−8	1,211	−2,216	−78	−553	2,349	450	48
4	2,795	30	1,279	−1,635	34	−462	1,546	313	204
1977 *1*	3,371	35	1,374	−1,647	23	−940	2,032	540	−8
2	3,015	20	1,343	−1,132	−118	−760	1,692	432	−114
3	3,180	31	1,343	−1,389	−268	−158	1,868	−363	310
4	4,050	−4	1,448	−1,638	−329	−643	2,598	−407	419
1978 *1*	3,485	65	1,470	−2,002	−398	−612	2,080	292	640
2	4,243	83	1,589	−1,728	−363	−440	2,737	−219	13
3	4,556	74	1,719	−2,298	−80	−188	2,911	−241	−104
4	4,930	65	1,716	−1,849	−145	−943	3,279	−546	204
1979 *1*	4,942†	25	1,676†	−2,106†	− 15†	−1,567†	3,291†	1,238	−841
2	4,292	71†	1,800	−1,639	−344	−830	2,563	575	−325
3	5,788	26	1,960	−1,832	32	−1,273	3,854	220	−1,001
4									

[1] Excluding financial transactions in writing-off debt.
[2] Before providing for depreciation stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
[4] This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation *less* increase in value of stocks and work in progress.
[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.
[6] The residual error in the national income accounts.


£ million, seasonally adjusted
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
—500
—1,000
—1,500
—2,000
—2,500
—3,000
—3,500
1974
1975
1976
1977
1978
1979

Appropriation account of industrial and commercial companies

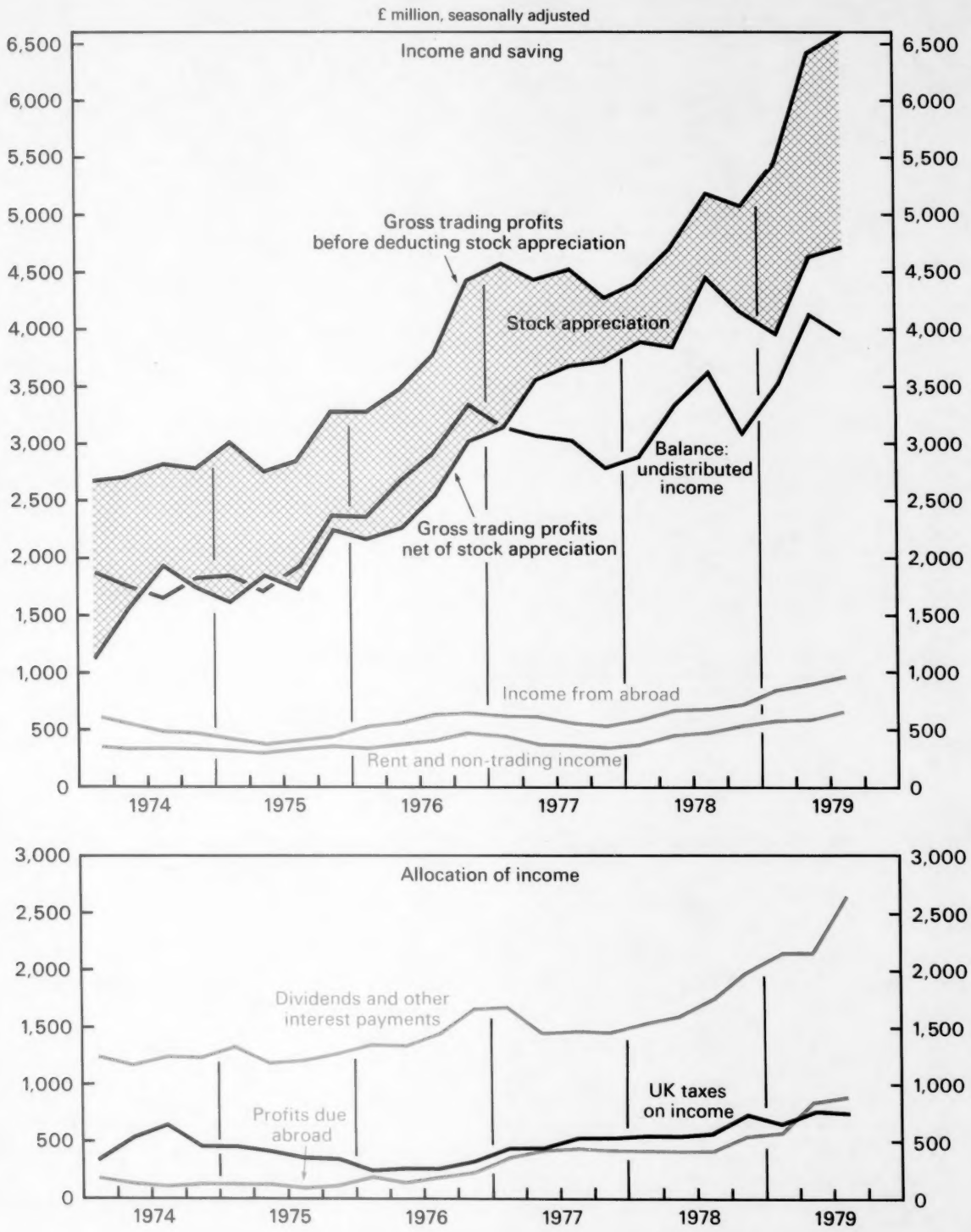
£ million Seasonally adjusted

	Income							Allocation of income						
		Income arising in the United Kingdom						Dividends and interest, etc.						
		Gross trading profits			Rent and non-trading income									
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other[3]	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[2]
1969	7,521	5,579	576	6,155	504	165	862	1,554	1,223	756	259	1,026	3,459	815
1970	7,894	5,588	863	6,451	514	151	929	1,378	1,307	799	322	1,330	3,557	1,037
1971	8,652	6,355	842	7,197	518	135	937	1,530	1,330	792	397	1,143	4,252	1,331
1972	9,821	7,092	1,075	8,167	628	196	1,026	1,524	1,529	969	549	1,036	5,183	1,589
1973	12,680	7,430	2,290	9,720	1,021	501	1,939	1,638	2,394	1,806	665	1,156	6,827	2,357
1974	14,474	6,318	4,706	11,024	1,307	697	2,143	1,469	3,376	2,716	525	1,985	7,119	4,008
1975	14,857	7,658	4,262	11,920	1,296	621	1,641	1,603	3,352	2,674	447	1,566	7,884	3,451
1976	18,966	10,009	4,994	15,003	1,604	814	2,359	1,852	3,875	3,156	744	1,160	11,335	4,111
1977	21,704	14,101	3,769	17,870	1,519	654	2,315	2,242	3,794	3,068	1,631	1,955	12,082	3,879
1978	23,958	16,378	3,087	19,465	1,837	854	2,656	2,695	4,144	3,480	1,769	2,419	12,931	3,597
1974 *1*	3,632	1,105	1,582	2,687	338	192	607	432	800	647	170	341	1,889	943
2	3,600	1,542	1,180	2,722	320	170	558	355	820	657	126	538	1,761	1,073
3	3,641	1,929	890	2,819	328	173	494	357	864	691	103	651	1,666	1,018
4	3,601	1,742	1,054	2,796	321	162	484	325	892	721	126	455	1,803	974
1975 *1*	3,736	1,615	1,391	3,006	310	151	420	431	879	711	125	457	1,844	929
2	3,429	1,849	915	2,764	295	131	370	377	810	641	122	412	1,708	879
3	3,590	1,937	916	2,853	330	158	407	389	811	637	95	348	1,947	881
4	4,102	2,257	1,040	3,297	361	181	444	411	852	685	105	349	2,385	762
1976 *1*	4,154	2,181	1,104	3,285	342	159	527	487	858	672	196	247	2,366	974
2	4,434	2,268	1,220	3,488	378	181	568	431	887	709	135	292	2,689	984
3	4,826	2,551	1,245	3,796	406	204	624	449	972	787	193	290	2,922	1,045
4	5,552	3,009	1,425	4,434	478	270	640	485	1,158	988	220	331	3,358	1,108
1977 *1*	5,650	3,133	1,464	4,597	442	230	611	572	1,108	915	347	457	3,166	993
2	5,417	3,563	881	4,444	369	156	604	508	940	760	427	456	3,086	1,004
3	5,462	3,695	842	4,537	363	145	562	555	912	734	439	520	3,036	910
4	5,175	3,710	582	4,292	345	123	538	607	834	659	418	522	2,794	972
1978 *1*	5,382	3,897	521	4,418	371	141	593	702	824	640	411	550	2,895	848
2	5,866	3,849	903	4,752	444	203	670	621	974	810	402	539	3,330	905
3	6,369	4,479	720	5,199	485	235	685	612	1,117	946	416	590	3,634	940
4	6,341	4,153	943	5,096	537	275	708	760	1,229	1,084	540	740	3,072	904
1979 *1*	6,864†	3,951†	1,482†	5,433†	582†	292†	849†	738	1,417†	1,249†	562†	653	3,494†	1,183†
2	7,905	4,646	1,774	6,420	588	291	897	739	1,416	1,257	847	782	4,121	1,134
3	8,236	4,720	1,884	6,604	669	343	963	1,042†	1,596	1,462	894	771†	3,933	1,142

Percentage change, quarter on corresponding quarter of previous year

1978 *1*	− 4·7	+24·4	−64·4	− 3·9	−16·0	− 38·7	− 3·0	+22·7	−25·6	−30·1	+ 18·4	+ 20·4	− 8·6	−14·6
2	+ 8·3	+ 8·0	+ 2·5	+ 6·9	+20·3	+ 30·1	+10·9	+22·2	+ 3·6	+ 6·6	− 5·9	+ 18·2	+ 7·9	− 9·9
3	+16·6	+21·2	−14·5	+14·6	+33·6	+ 62·1	+21·9	+10·3	+22·5	+28·9	− 5·2	+ 13·5	+19·7	+ 3·3
4	+22·5	+11·9	+62·0	+18·7	+55·7	+123·6	+31·6	+25·2	+47·4	+64·5	+ 29·2	+ 41·8	+10·0	− 7·0
1979 *1*	+27·5	+1·4	+184·5	+23·0	+56·9	+107·1	+43·2	+ 5·1	+72·0	+95·2	+ 36·7	+ 18·7	+20·7	+39·5
2	+34·8	+20·7	+ 96·5	+35·1	+32·4	+ 43·4	+33·9	+19·0	+45·4	+55·2	+110·7	+ 45·1	+23·8	+25·3
3	+29·3	+5·4	+161·7	+27·0	+37·9	+46·0	+40·6	+70·3	+42·9	+54·6	+114·2	+30·7	+8·2	+21·5

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memorandum items.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] The residual of all companies payments and financial companies and institutions accruals of taxes on income. Mainly payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.
[5] Before providing for depreciation, stock appreciation and additions to reserves.


£ million, seasonally adjusted
Income and saving
6,500
6,000
5,500
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Gross trading profits
before deducting stock appreciation
Stock appreciation
Balance:
undistributed
income
Gross trading profits
net of stock appreciation
Income from abroad
Rent and non-trading income
1974
1975
1976
1977
1978
1979
Allocation of income
3,000
2,500
2,000
1,500
1,000
500
0
Dividends and other
interest payments
UK taxes
on income
Profits due
abroad
1974
1975
1976
1977
1978
1979

Sources and uses of capital funds of industrial and commercial companies

£ million

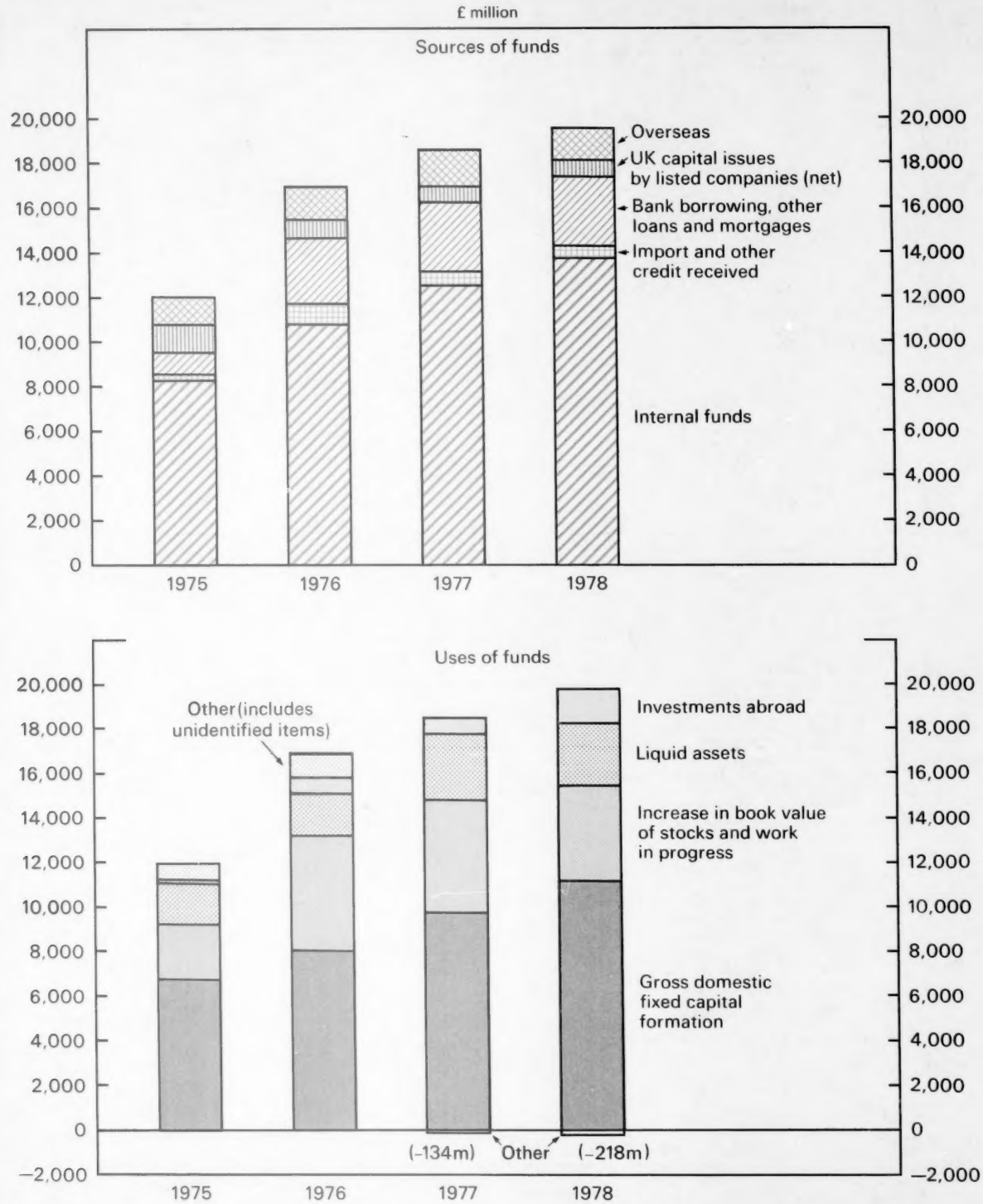
	Sources of funds						Uses of funds					
	Total	Internal funds[1]	Import and other credit received	Bank borrowing, other loans and mortgages[2]	UK capital issues by listed companies (net)	Overseas	Gross domestic fixed capital formation	Increase in book value of stocks and work in progress	Acquisition of financial assets: Liquid assets[3]	Acquisition of financial assets: Investment abroad	Acquisition of financial assets: Other	Unidentified items (residual)
1974	14,228†	7,310	693†	4,521	70	1,634	6,057	6,012	141	825	1,245	— 52†
1975	11,935	8,292	272	943	1,252	1,176	6,770	2,508	1,810	190	1,431†	— 774
1976	16,863	10,807	889	2,897	827	1,443	8,028	5,200	1,887	713	2,739	—1,704
1977	18,368	12,546	558	3,108	662	1,494	9,767	5,067	2,956	712	2,156	—2,290
1978	19,552	13,722	549	3,118	766	1,397	11,180	4,286	2,818	1,486	1,674	—1,892
1976 *1*	3,528	2,655	221	—155	228	579	1,639	933	146	121	687	2
2	4,169†	2,278	242†	951	436	262	1,946	1,014	721	204	960†	— 676†
3	3,622	2,286	54	794	140	348	2,202	1,401	701	134	68	— 884
4	5,544	3,588	372	1,307	23	254	2,241	1,852	319	254	1,024	— 146
1977 *1*	5,128	3,515	257	749	34	573	2,018	2,057	136	224	— 50	743
2	4,622	3,017	30	858	344	373	2,486	1,362	537	396	787	— 946
3	3,723	2,731	48	395	182	367	2,472	719	924	56	500	— 948
4	4,895	3,283	223	1,106	102	181	2,791	929	1,359	36	919	—1,139
1978 *1*	5,253	3,603	268	611	30	741	2,586	1,008	439	216	— 49	1,053
2	4,598	3,157	— 6	1,046	348	53	2,793	997	827	131	843	— 993
3	3,784	3,230	—179	384	268	81	2,815	990	512	384	—151	— 766
4	5,917	3,732	466	1,077	120	522	2,986	1,291	1,040	755	1,031	—1,186
1979 *1*	6,904	4,163	310	1,855†	213	363†	2,613†	2,400†	—409†	765	— 30	1,568
2	7,400	4,535	350	1,544	389	582	2,789	2,091	1,341	173†	940	66
3	5,362	4,609	114	769	53	—183	3,083	2,258	—202	919	— 28	— 724
4												

[1] Before providing for depreciation, stock appreciation and additions to reserves and adjusted for unremitted profits.
[2] After addition of 40 per cent of the excess of debit over credit transit items.
[3] Bank deposits are included after subtraction of 60 per cent of the excess of debit over credit transfer items.

Selected liquid assets of industrial and commercial companies

Amounts outstanding at end of period	Deposits with banking sector: Sterling certificates of deposits	Deposits with banking sector: Dollar certificates of deposit	Deposits with banking sector: Other sterling deposits[1]	Deposits with banking sector: Other foreign currency deposits	Deposits with building societies	Deposits with other financial institutions[2]	Market treasury bills[3]	Tax instruments[4]	British government securities[5]	Local authority temporary debt	Local authority longer-term debt	Total identified	*Bank lending*[6,7,8]
1975 *4*[9]	270 / 266	86	7,470 / 7,464	1,919	185	136	350	6	175	459	272	11,328 / 11,318	*18,364* / *18,468*
1976 *1*	240	59	7,414	1,984	222	183	554	13	216	443	277	11,605	*18,463*
2	318	95	7,825	2,013	251	193	682	8	255	425	277	12,342	*19,841*
3	309	143	8,390	2,290	273	203	423	7	257	414	282	12,991	*20,650*
4	342	179	8,520	2,126	289	210	233	7	298 / 289	579	343	13,126 / 13,117	*21,780*
1977 *1*	459	96	8,125	2,546	311	202	295	5	301	477	380	13,197	*22,047*
2	412	275	8,196	2,581	359	225	435	29	336	388	385	13,621	*22,808*
3	421	257	8,812	2,452	399	221	398	354	353	317	378	14,362	*22,997*
4	455†	364	9,964	2,199	456	215	209 / 229	479	377 / 435	229	338	15,285 / 15,364	*23,459*
1978 *1*	657	161	10,116	2,555	481	212	316	231	417	280	301	15,727	*23,853*
2[10]	599	116	10,460	3,041	461 / 333	257	231	231	437	291	290	16,414 / 16,286	*25,219*
3	387	115	10,813	2,817	314	354	84	595	445	319	287	16,530†	*25,187*
4	378	163	11,506	2,734	293	326	67†	709	449	387	269	17,281	*25,974*
1979 *1*	348	145	10,779	2,441	334	299	66	1,071	523	446	261	16,713	*27,323*
2	395	351	11,440	2,624	272	319	198	1,040	513	432	256	17,840	*28,514*
3	320	326	11,353	2,434	259	294	25	981†	697	557	265	17,511	*28,765*

[1] After deducting 60% items in transit. [2] Before 1st quarter 1972, deposits with finance houses. [3] Including unidentified holdings by other sectors.
[4] Tax reserve certificates, tax deposit accounts and certificates of tax deposits, including holdings by financial institutions other than building societies, which are known to be small.
[5] These estimates are derived from the Department of Industry's survey of company liquidity. [6] See Financial statistics *Explanatory handbook*, page 94.
[7] Including refinanceable export and shipbuilding credits with effect from mid-May 1972. [8] After adding 40% items in transit. [9] The amounts outstanding at end-December 1975 are shown before and after the exclusion of one contributor. [10] The break in series of Deposits with building societies is due to new returns from building societies.


£ million
Sources of funds
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Overseas
UK capital issues by listed companies (net)
Bank borrowing, other loans and mortgages
Import and other credit received
Internal funds
1975
1976
1977
1978
Uses of funds
Other (includes unidentified items)
Investments abroad
Liquid assets
Increase in book value of stocks and work in progress
Gross domestic fixed capital formation
(-134m)
Other
(-218m)
-2,000

Bank lending[1] to UK residents

Seasonally adjusted[2]

£ million

	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1974	701	— 370	1,071	4,671	3,734	937
1975	3,379†	3,096†	283	122†	— 373†	495†
1976	298	— 136	434	3,386	3,138	248
1977	2,373	1,691	682	4,711	3,492	1,219
1978	— 286	123	— 409	5,805	4,717	1,088
1975 *1*	75†	— 223†	298	294†	335†	— 41
2[5]	1,210	1,222	— 12	149	— 90	239
3	1,755	1,755	—	— 101	— 351	250†
4[4]	339	342	— 3	— 220	— 267	47
1976 *1*	— 21	— 38	17	350	416	— 66
2	— 376	— 430	54	646	727	— 81
3	901	743	158	1,248	1,096	152
4	— 9	— 214	205	945	702	243
1977 *1*	355	— 148	503	1,284	728	556
2	— 9	— 9	—	1,210	1,051	159
3	934	685	249	940	877	63
4	1,109	1,179	— 70	1,261	820	441
1978 *1*	— 195	34	— 229	861	659	202
2	—1,494	—1,254	— 240	2,122	1,647	475
3	266	326	— 60	1,508	1,189	319
4	1,142	1,022	120	1,309	1,217	92
1979 *1*	—1,335	—1,187	— 148	2,696	2,404	292
2	558	718	— 160	2,869	2,379	490
3	466	613	— 147	2,202	2,157	45
4						

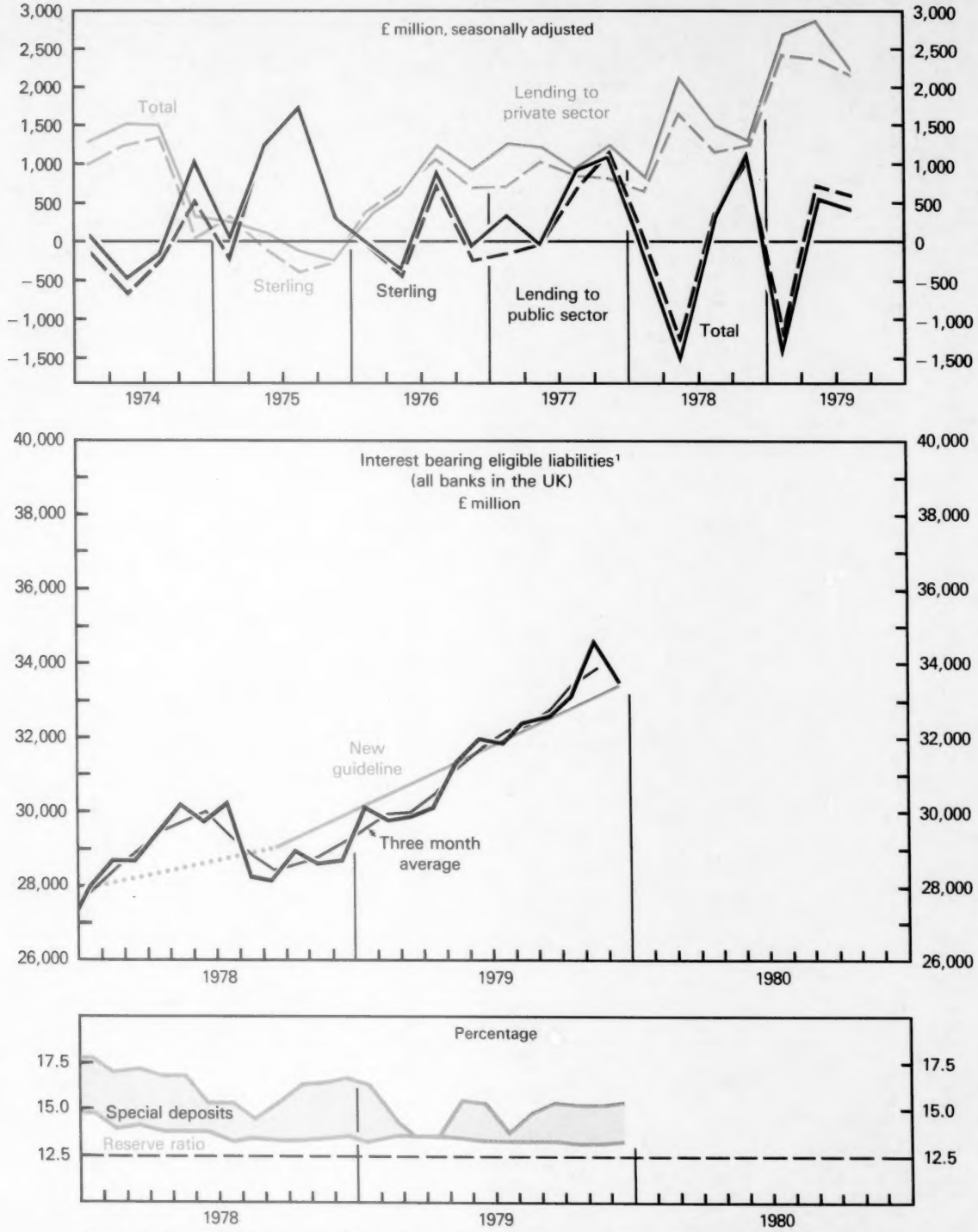
[1] UK banking sector: changes in assets. From the second quarter 1975 transactions have been entered as far as possible on a cash receipts/payments basis
[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.
[3] From the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.
[4] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.
[5] Figures have been calculated to exclude the effects of the introduction of new statistical returns.

Banks' reserve ratio

Unadjusted

	£ million		Per cent		£ million		£ million		Per cent		£ million
	Eligible liabilities	*of which:* Interest bearing[1]	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]		Eligible liabilities	*of which:* Interest bearing	Reserve ratio	Special deposits[2]	Supplementary deposits[2,3]
At mid-month							**At mid-month**				
1977 *J*	36,148	24,997	14·4	3		*J*	45,022	30,167	13·3	2	
F	34,835	23,912	13·8	2		*A*	43,411	28,280	13·5	1	
M	34,978	23,840	13·9	3		*S*	43,508	28,141	13·4	2	
A	35,844	24,010	14·2	3		*O*[4]	44,832	28,889	13·4	3	
M	35,827	23,943	14·0	3	1	*N*	44,635	28,681	13·5	3	1
J	36,278	24,222	14·0	3	—	*D*	45,001	28,733	13·6	3	2
J	37,094	24,671	14·0	3	1	1979 *J*	45,984	30,079	13·3	3	2
A	37,692	25,319	14·5	3		*F*	45,554	29,774	13·6	1	3
S	38,796	25,801	14·5	3		*M*	46,085	29,911	13·6	—	2
O	39,709	26,320	14·5	3		*A*	47,510	30,183	13·6	—	1
N	40,209	26,500	15·1	3		*M*	48,409	31,359	13·5	2	5
D	40,850	26,808	14·8	3		*J*	48,988	31,971	13·3	2	9
1978 *J*	41,678	27,990	14·8	3		*J*	49,156	31,903	13·3	½	2
F	42,225	28,620	14·0	3		*A*	49,863	32,488	13·3	1½	10
M	42,557	28,686	14·1	3		*S*	50,068	32,579	13·3	2	4
A	43,863	29,373	13·9	3		*O*	51,293†	33,160	13·2	2	1
M	44,514	30,107	13·9	3		*N*	52,264	34,532	13·2	2	3
J	44,355	29,719	13·8	1½		*D*	51,648	33,609	13·3	2	3

[1] Banks in Northern Ireland were excluded up to the first figure for May 1975. [2] Not yet applicable to banks in Northern Ireland.
[3] For details of the activation of the supplementary special deposit scheme between November 1976 and August 1977, see the additional notes to Table 3 in the Bank of England Quarterly Bulletin. The scheme was re-introduced in June 1978, but no payments can become due until November 1978.
[4] The addition of National Girobank to this series in October inflated eligible liabilities by £310 million and the reserve ratio by 0·1%; hitherto this bank was outside the normal credit control arrangements.



[1] Supplementary special deposits will have to be paid by banks and deposit-taking finance houses, according to growth in excess of the guideline, at rates of 5 per cent (up to 3 per cent excess), 25 per cent (over 3 and up to 5 per cent excess) and 50 per cent (above 5 per cent excess) of interest-bearing eligible liabilities.

Interest rates, security prices and yields

Percentage rate

		Last Friday							Last working day	Average of working days			
					London clearing banks							*Financial Times* index of industrial ordinary shares	
												1 July 1935=100	
		Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	Base rate	Deposit account: 7 days' notice[4]	Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities 2½% Consols yield	Price index	Dividend yield	Earnings yield[7]
1968		7	6·89	7¾	7	5	7 1/16 – 8	7⅜ – 7 1/16	7½	4·50	7·39	463·3	4·05	4·99
1969		8	7·80	9 – 9 1/16	8	6	9⅜ – 9½	9¼ – 9½	11 1/16	5·00	8·88	419·8	4·43	5·82
1970		7	6·93	7¼	7	5	7⅜ – 7¼	7 3/16 – 7 5/16	7 7/16	5·00	9·16	361·0	4·75	6·54
1971		5	4·46	4⅛ – 4⅜	4½	2½	4⅜ – 4½	4⅜ – 4½	5⅛	5·00	9·05	386·2	4·76	6·21
1972		9	8·48	8¾	7½	5¾	8 7/16 – 9 1/16	8 3/16 – 9 1/16	5 1/16	5·25	9·11	503·8	3·26	4·98
1973		13	12·82	16 –16¼	13	9½	16 1/16–16 5/16	15¾ –16	10⅜	7·50	10·85	435·6	4·12	..
1974		11½	11·30	13½	12	9½	12½ –12 11/16	12⅜ –12¾	10½	7·50	14·95	251·2	8·23	21·47
1975		11¼	10·93	11¼ –11⅜	11	7	11 1/16–11 3/16	11 –11⅛	6 1/16	7·00	14·66	311·0	6·81	19·49
1976		14½	13·98	14¾ –15	14	11	14⅛ –14⅜	14 1/16–14⅜	5 1/16	7·80	14·25	368·0	5·98	17·61
1977		7	6·39	6¾	6¾–7½	3½–4½	6 5/16– 6½	6⅜ – 6 7/16	7⅛	6·00	12·32	452·3	5·42	16·50
1978		12½	11·91	12⅜ –12½	12½	10	12 7/16–12⅝	12⅜ –12½	11 3/16	8·00	12·38	479·4	5·65	16·47
1976	*O*	15	14·97	15½ –15¾	14	11	15⅛ –15⅜	15 3/16–15¼	5 7/16	6·50	15·43	293·6	7·61	23·07
	N	14¾	14·54	15 –15½	14	11	14½ –14 13/16	14 7/16–14 1/16	5 5/16	7·80	15·22	301·0	7·23	22·66
	D	14¼	13·98	14¾ –15	14	11	14⅛ –14⅜	14 1/16–14⅛	5 1/16	7·80	14·82	328·6	6·67	20·91
1977	*J*	12½	12·09	12⅜ –13⅜	13	9½	12⅛ –12⅜	12 –12 1/16	5½	7·80	13·67	374·7	6·01	18·69
	F	12	11·07	11⅜	11½	8	11 3/16–11 5/16	11⅛ –11 3/16	5 3/16	7·80	13·47	393·8	5·83	18·77
	M	10½	9·57	9½ – 9⅝	10½	6½	9⅜ – 9 7/16	9 5/16– 9⅜	5 7/32	7·80	12·85	418·2	5·39	16·91
	A	8¼	7·64	8⅛	9	4½	7 1/16– 8 1/32	7 1/16– 7⅞	5 5/16	7·80	12·55	415·1	5·51	16·82
	M	8	7·57	7⅞ – 7⅞	8½	4	7 1/16– 7 1/16	7 1/16– 7⅛	6 1/16	7·00	12·41	456·7	5·08	15·54
	J	8	7·60	7⅞ – 8	8½	4	7⅛ – 8	7⅛ – 7 1/32	5 5/16	7·00	12·85	450·5	5·19	15·83
	J	8	7·44	7⅞ – 7⅞	8½	4	7⅞ – 7 1/16	7 5/16– 7 1/16	6¼	6·70	13·11	443·1	5·37	16·03
	A	7	6·52	6⅞ – 6¾	8	4	6⅞ – 6⅞	6⅞ – 6 1/16	6⅜	6·70	12·58	478·6	5·23	15·26
	S	6	5·37	5 1/16– 5¼	7	3	5¼ – 5 1/16	5⅜ – 5 3/16	6 13/32	6·70	11·52	522·8	5·03	14·98
	O	5	4·53	4¾ – 5	6	3	4 5/16– 5	4 5/16– 4 5/16	7¼	6·70	10·84	511·9	5·26	15·55
	N	7	6·53	6¾	6	3	6 1/16 – 7 1/16	6⅜ – 6 1/16	7 7/32	6·00	11·04	490·5	5·56	16·72
	D	7	6·39	6¾	6¾–7½	3½–4½	6 9/16– 6¾	6⅜ – 6 7/16	7⅛	6·00	10·90	481·6	5·58	16·83
1978	*J*	6½	5·85	6½ – 6 5/16	6½	3	6 5/16– 6½	6½ – 6½	7 1/32	6·00	10·67	482·3	5·57	16·96
	F	6½	6·07	6⅜ – 6¾	6½	3	6⅜ – 6⅞	6⅜ – 6⅜	7 3/16	5·50	11·21	457·9	5·85	17·74
	M	6½	6·02	6⅜ – 7	6½	3	6 1/16– 7	6 1/16– 6 1/16	7 5/16	5·50	11·18	454·9	5·94	17·51
	A	7½	7·12	8 – 8⅛	7½	4	8 5/16– 8½	8½ – 8½	7 31/32	5·50	11·65	460·9	5·85	17·25
	M	9	8·67	9½	9	6	9 5/16– 9 7/16	9 5/16– 9¼	7 1/16	5·50	12·07	476·6	5·58	16·86
	J	10	9·49	9⅞ –10 1/16	10	6½–7	10 1/16–10½	9 13/16–10 1/16	8 15/32	5·50	12·31	466·1	5·68	16·65
	J	10	9·33	10⅛ –10½	10	6½–7	9 13/16–10 5/16	9 13/16– 9 15/16	8 17/32	6·70	12·20	472·2	5·62	17·06
	A	10	9·03	9½ – 9⅜	10	6½–7	9 5/16– 9⅜	9 5/16– 9 5/16	8 13/32	6·70	12·15	508·8	5·28	15·88
	S	10	9·38	9⅜ – 9⅜	10	6½–7	9 5/16– 9 13/16	9¼ – 9⅜	9 5/16	6·70	12·17	516·0	5·21	15·02
	O	10	10·56	10⅜ –10⅞	10	6½–7	10⅜ –11 1/16	10 1/16–11	11 3/32	6·70	12·42	497·5	5·42	15·09
	N	12½	11·91	12 3/16–12½	12½	10	12 1/16–12½	12 1/16–12 3/16	11⅜	6·70	12·63	476·9	5·86	15·86
	D	12½	11·91	12⅜ –12½	12½	10	12 7/16–12⅝	12⅜ –12½	11 13/16	8·00	12·38	482·4	5·98	15·73
1979	*J*	12½	12·46	13	12½	10	13 –13⅛	12 9/16–12 11/16	10 31/32	8·00	12·51	474·1	6·10	16·01
	F	14	12·61	13¼ –13⅜	13½	11	12⅞ –13 1/16	12 11/16–13	10 17/32	8·00	12·63	460·2	6·18	16·16
	M	13	11·78	12⅜ –12½	13	10½	12 1/16–12 5/16	12 –12½	10 9/16	8·00	11·35	511·5	5·53	14·54
	A	12	11·61	11 13/16–12	12	9½	11⅜ –11 13/16	11 9/16–11 11/16	11 1/16	8·00	10·68	537·4	5·37	14·31
	M	12	11·79	11 13/16–12	12	9½	11 13/16–11 15/16	11⅜ –11⅞	10 9/16	8·00	11·02	528·5	5·56	14·90
	J	14	13·71	14 –14¼	14	11½	13 13/16–14⅛	13 13/16–13 15/16	11	8·00	11·39	489·5	5·93	15·82
	J	14	13·82	14 1/16–14⅛	14	11½	14 –14⅛	13 13/16–14 1/16	11 1/16	8·00	10·88	468·3	6·62	16·92
	A	14	13·77	14¼	14	11½	14 3/16–14 5/16	14 1/16–14¼	12 3/16	8·75	10·54	467·2	6·95	17·46
	S	14	13·88	14¼	14	11½	14⅛ –14 3/16	13 15/16–14⅛	12⅞	8·75	10·75	468·4	6·95	17·75
	O	14	13·83	14⅛ –14¾	14	11½	14 3/16–14 13/16	14⅛ –14⅜	15 13/16	8·75	11·07	465·4	7·13	17·55
	N	17	16·8	16⅞	17	15	16¾ –16 15/16	16⅜ –16¾	14 3/16	8·75	11·86	415·9	7·88	19·07
	D	17	16·49	16 13/16–17½	17	15	16 13/16–17 1/16	16 13/16–16⅞	14½	10·50	11·85	419·8	7·70	18·78

[1] Previously known as Bank Rate. From 13 October 1972 to 24 May 1978, the Bank of England's minimum lending rate was normally set ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ½% above. With effect from 25 May 1978 the rate has been determined by administrative decision with changes normally being announced at 12.30 p.m. on Thursdays; a new rate becomes effective, for lending by the Bank, immediately. For changes in Bank Rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics (HMSO)*.

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

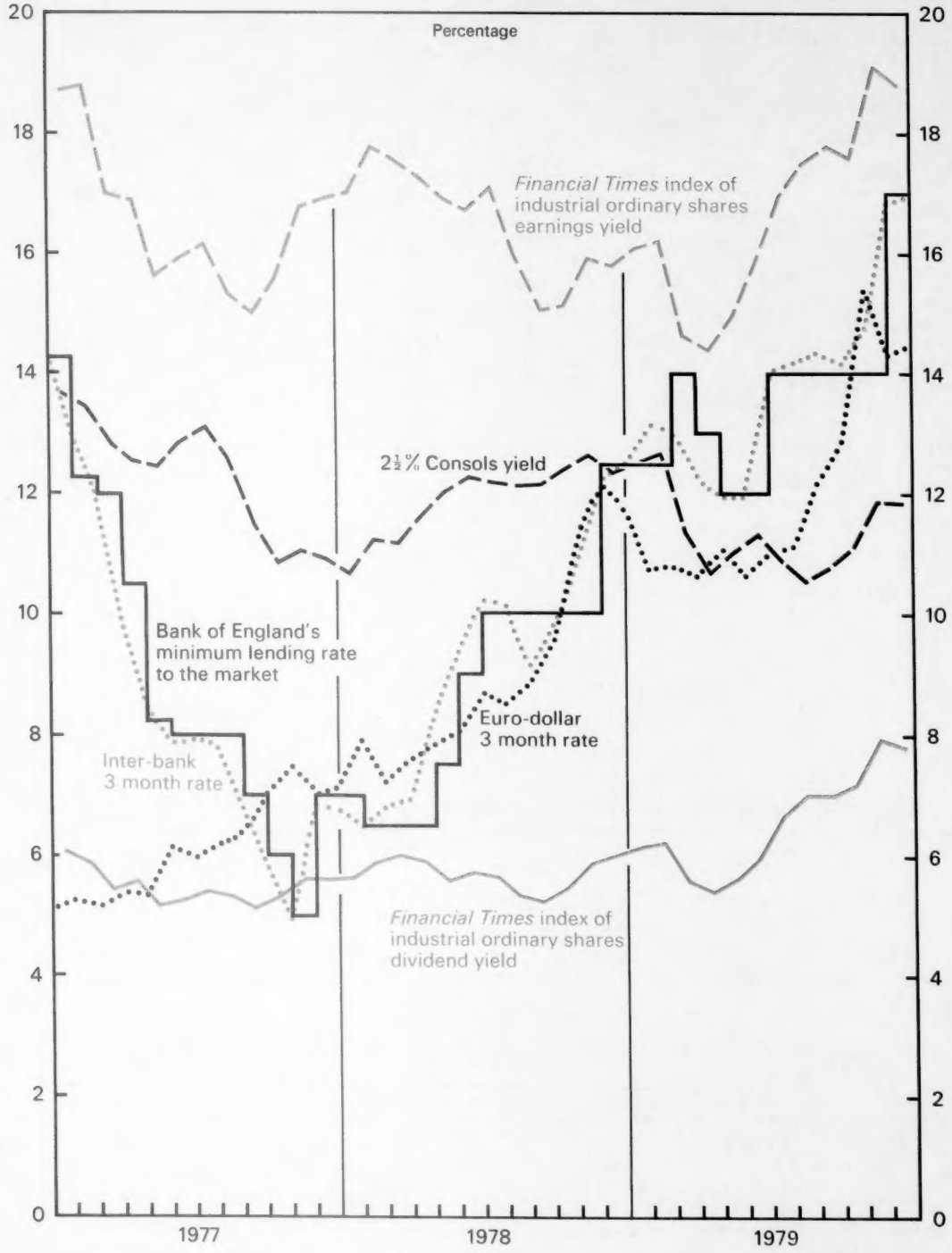
[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[5] Spread of rates over the day in the inter-bank sterling market.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.


Percentage
20
18
16
14
12
10
8
6
4
2
0
Financial Times index of industrial ordinary shares earnings yield
2½% Consols yield
Bank of England's minimum lending rate to the market
Euro-dollar 3 month rate
Inter-bank 3 month rate
Financial Times index of industrial ordinary shares dividend yield
1977
1978
1979

Cyclical indicators for the UK economy

Recent movements of the indicators

(data available to 18 January 1980)

The composite index of *longer leading* indicators continued to fall in December due mainly to a further rise in short term interest rates (inverted in the index) and a fall in the smoothed series of the FT – Actuaries 500 index. Housing starts fell back in November.

The composite index of *shorter leading* indicators rose again in November reflecting the continued upward movements of new car registrations and new credit extended, the only two series available for that month.

The composite index of *coincident* indicators rose again in November after falling steadily from May to September 1979. However, only two series are available so far for November: retail sales which moved upwards from the September and October levels, and the index of manufacturing production which showed a further increase over the revised October value. As the rise in retail sales was not maintained in December (on provisional figures), and the increase in production followed depressed levels during the engineering dispute, this movement in the composite index seems likely to prove a temporary fluctuation rather than a real change of direction.

The composite index of *lagging* indicators fell again in December. Unemployment (used in inverted form) eased back slightly while notified vacancies fell. It is beginning to look as if this index peaked in the third quarter of 1979. This would be consistent with a peak in the reference cycle in August 1978, as already tentatively assessed.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Values and timing characteristics of the composite indices

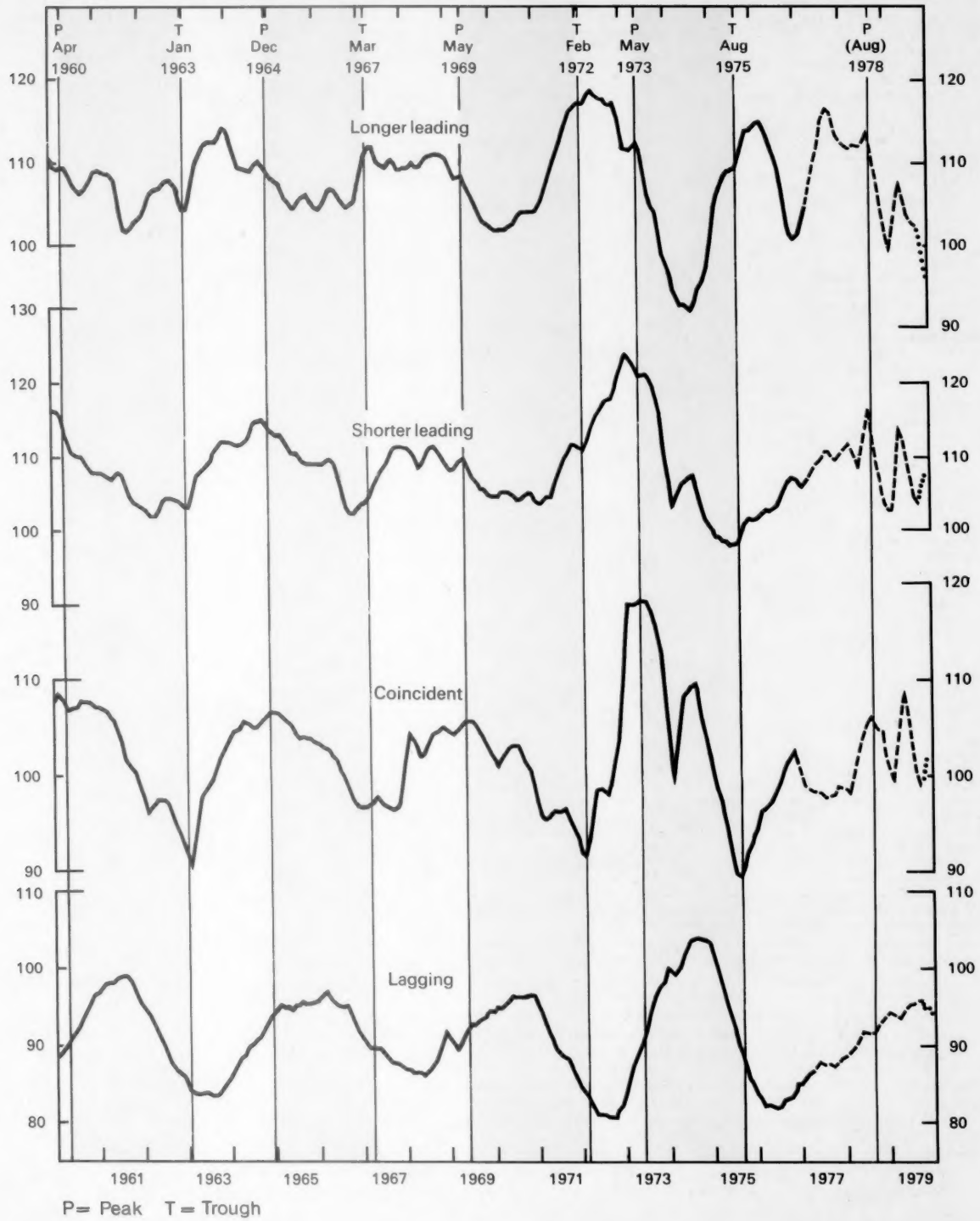
	Most recent values[2] January 1975 = 100												Lead (−) or lag (+) in months relative to reference cycle dates		
	1979														
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Mean	Earliest	Latest
Longer leading ..	100·7	99·2	102·5	106·1	107·8	105·7	103·8	102·5	102·4	101·2	98·4	96·0	−12	−21	−6
	4	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*3*	*3*	*2*			
Shorter leading ..	102·7	103·0	107·2	113·7	112·9	110·8	108·2	104·3	103·6	105·7	107·5		−5	−12	− 1
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*2*	*2*				
Coincident ..	100·1	99·2	103·0	106·1	108·7	107·0	104·3	100·2	99·0	99·7	101·8		+2	− 1	+10
	6	*6*	*6*	*6*	*6*	*6*	*6*	*6*	*6*	*3*	*2*				
Lagging	94·2	93·8	93·7	94·3	95·0	95·5	95·4	95·9	95·8	95·1	95·0	94·2	+11	+5	+17
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*2*	*2*	*2*			

[1] A full explanation of the methodology used is given in *Economic Trends*. No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO Press Office. 01-233 6193.

Cyclical indicators

Composite indices of indicator groups. January 1975 =100



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1975 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1968 to 2nd quarter 1978	1·3	0·8	0·9	0·9	1	0·9
Income based	6	" " " " " "	1·4	0·8	1·0	0·9	1	0·9
Output based	6,28	" " " " " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " " "	1·0	0·6	0·8	0·8	1	0·8
Consumers' expenditure	8,10	" " " " " "	1·1	0·6	0·8	0·8	1	0·8
Fixed capital formation								
Total	8,16	" " " " " "	2·0	1·6	0·9	1·9	2	0·9
Manufacturing industry	18	" " " " " "	3·9	2·5	2·4	1·1	2	0·4
Stockbuilding[2]								
Total	8,22	" " " " " "	*213·4*	*136·2*	*146·1*	0·9	1	0·9
Manufacturing	22	" " " " " "	*172·4*	*118·2*	*102·9*	1·2	2	0·5
Exports: goods and services	8	" " " " " "	3·0	2·2	1·9	1·2	2	0·5
Imports: goods and services	8	" " " " " "	2·9	2·2	1·6	1·4	2	0·5
Personal disposable income	10	" " " " " "	1·7	1·2	1·2	1·1	2	0·3
Other national income series								
Gross trading profits of companies	60	" " " " " "	3·6	2·5	3·2	0·8	1	0·8
Other quarterly series								
Construction output	30	1st quarter 1955 to 4th quarter 1978	2·1	1·2	1·5	0·8	1	0·8
Public sector borrowing requirement[6]	56	1st quarter 1971 to 2nd quarter 1977	*356·0*	*349·0*	*171·0*	2·0	2	0·2
Monthly series								
Retail sales								
Total: current prices	12	January 1961 to December 1978	1·0	0·6	0·7	0·9	1	0·9
Total: constant prices	5,12	" " " " "	0·7	0·6	0·3	2·5	3	0·9
Food shops	12	" " " " "	0·6	0·6	0·2	2·9	3	1·0
Clothing and footwear shops	12	" " " " "	2·1	2·0	0·4	5·4	6	0·9
Durable goods shops	12	" " " " "	1·9	1·6	0·7	2·2	3	0·8
Other non-food shops	12	" " " " "	1·1	1·0	0·3	2·8	3	0·9
Cars: new registrations	12	January 1971 to December 1978	8·1	7·8	1·7	4·6	5	1·0
Housing: public authorities[4]								
Starts	20	January 1956 to December 1978	11·6	11·3	1·7	6·5	6	
Completions	20	" " " " "	7·8	7·7	1·1	6·8	6	
Housing; private								
Starts	20	" " " " "	8·2	7·9	2·3	3·4	4	0·9
Completions	20	" " " " "	6·0	6·0	0·9	6·6	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1973 to April 1979	1·1	1·0	0·5	1·9	3	0·7
Manufacturing industries	26	" " " " "	1·4	1·3	0·5	2·5	3	0·9
Passenger car production:								
Home market	32	January 1968 to December 1978	12·8	12·8	1·5	8·7	6	
Export	32	" " " " "	11·8	11·6	0·9	12·6	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·5	9·2	1·5	6·0	6	
Export	32	" " " " "	10·4	10·2	1·5	7·0	6	
Unemployed excluding school-leavers[5]	5,36	January 1961 to December 1978	*13·1*	*4·3*	*12·0*	0·4	1	0·4
Vacancies notified to employment offices[5]	5,36	August 1960 to December 1978	*5·9*	*2·5*	*5·2*	0·5	1	0·5
Average earnings (older series): production industries and some services	40	January 1963 to December 1978	1·0	0·4	0·9	0·5	1	0·5
Exports: value, f.o.b.	48	January 1964 to December 1976	3·1	2·7	1·3	2·0	2	0·9
Imports: value, f.o.b.	48	" " " " "	2·9	2·6	1·4	1·9	2	0·9
Money stock (sterling M_3)[3]	5,52	July 1971 to December 1977	1·3	0·6	1·2	0·5	1	0·5
Domestic credit expansion[3]	54	July 1971 to September 1977	94·1	73·3	17·9	4·1	5	1·0

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and C are differences in units of £ million.

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National income and expenditure in the third quarter of 1979*

Gross domestic product

The three measures of gross domestic product all fell in the third quarter, partly as a result of the dispute in the engineering and allied industries and partly because the level of economic activity in the second quarter had been particularly high. The second quarter included some recouping of output lost in the first quarter through bad weather and the road haulage dispute, and activity, particularly in distribution, had been stimulated by heavy pre-Budget spending.

The divergence which has emerged from the beginning of 1979 between the estimates of GDP as measured by expenditure and as measured by income and output is thought to be largely due to difficulties in measuring expenditure. Much of the shortfall in recorded expenditure is likely to have been in stockbuilding and, perhaps, fixed investment. The movements in the present estimates of stockbuilding are being discounted in the interpretation of movements in demand in 1979. The balance between imports and exports of goods and services may also have been affected to some extent by recording difficulties; but estimates of consumers' expenditure and government consumption are less likely to have been subject to appreciable error. (See technical note on page 75).

At the present time, the best estimate of economic activity is considered to be the output measure. In consequence, this

*This article presents quarterly estimates of national income and expenditure up to the third quarter of 1979. Estimates of the components of GDP in constant prices are given here in terms of average 1975 prices.

Provisional summary measures of GDP were first issued on 21 December 1979. The estimates presented here incorporate the estimates of imports and exports of goods issued by the Department of Trade on 15 January 1980 (see Revisions section). These and other revisions were incorporated in the national income and expenditure press notice issued on 11 January 1980.

Many of the component series of GDP(E) and GDP(O) are derived at constant 1975 prices by revaluing current price data. When prices are changing rapidly the problems associated with this revaluation become acute. For this reason, the estimates for periods since about the end of 1973 should be regarded as subject to wider margins of error than in earlier years.

A general description of national income statistics, together with details of sources, methods and definitions used, is given in *National Accounts Statistics: Sources and Methods* (HMSO, 1968). Subsequent changes are described in the notes to the 1979 Blue Book.

All commentary is in terms of seasonally adjusted data.

Gross domestic product at factor cost, total home costs, and national disposable income revalued at constant market prices[1]

TABLE A

		Seasonally adjusted							
		Index numbers, 1975 = 100							
		Gross domestic product							
		At current prices		At 1975 prices					
		Based on expenditure data	Based on income data	Based on expenditure data	Based on income data[2]	Based on output data	Average estimate	Implied index of total home costs	National disposable income at 1975 market prices[3]
1976		117·6	117·6	103·4	103·4	102·1	103·0	113·7	102·9
1977		133·4	134·0	104·8	105·3	104·6	104·9	127·3	103·8
1978		151·5	152·2	107·5	108·0	107·7	107·7	140·9	108·4
1976	*1*	111·9	110·4	103·0	101·7	101·0	101·9	108·6	102·3
	2	114·7	115·0	102·0	102·3	101·7	102·0	112·4	
	3	119·3	120·3	103·7	104·5	102·0	103·4	115·1	103·5
	4	124·5	124·8	104·9	105·2	103·9	104·7	118·7	
1977	*1*	126·6	127·9	103·3	104·3	104·4	104·0	122·5	102·8
	2	130·8	132·5	104·4	105·8	104·1	104·8	125·2	
	3	136·3	136·3	104·8	104·8	104·8	104·8	130·1	104·8
	4	139·8	139·3	106·7	106·3	105·1	106·0	131·1	
1978	*1*	145·3	144·0	106·1	105·1	105·7	105·7	137·0	107·2
	2	148·3	149·7	107·1	108·1	107·9	107·7	138·5	
	3	154·8	156·7	108·2	109·6	108·6	108·8	143·0	109·6
	4	157·7	158·3	108·6	109·1	108·5	108·7	145·2	
1979	*1*	155·5	160·6	105·4	108·9	107·3	107·6[4]	147·5	110·6
	2	168·0	171·0	108·1	110·0	111·4	111·6[4]	155·5	
	3	172·4	178·4	106·2	109·9	109·3	109·5[4]	162·3	..

[1] These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Income data deflated by the index of total home costs derived from expenditure data.
[3] Half yearly estimates only.
[4] Because of doubts about the reliability of the expenditure-based measure of GDP in 1979, these figures have been produced by projecting forward the average estimate in Q4 1978 by the quarterly movements in the output-based measure.

measure alone has been used to assess the movements in GDP during 1979. From the second half of 1978 to the first three quarters of 1979 the level of output is estimated to have risen by ½ per cent.

The implied index of total home costs increased by 13 per cent between the third quarter of 1978 and the same quarter in 1979.

Expenditure at constant 1975 prices (Table 1)

Domestic demand (total domestic expenditure) fell by 2 per cent between the second and third quarters, reflecting the fall in consumers' expenditure in the wake of the pre-Budget boom. The volume of exports and imports of goods and services fell by 2 per cent and 1 per cent respectively from the erratically high levels recorded in the second quarter of 1979. In the case of exports, the fall was from a level inflated by the recovery from the road haulage dispute of the first quarter; for imports the fall included a reduction in the imports of road vehicles which had been particularly high.

Even based on the recorded estimates which may understate the true position, the average level of total domestic demand in the first three quarters of 1979 was 2 per cent higher than in the second half of 1978. This additional demand was met largely from imports. Between the two periods the average level of imports of goods and services rose by 10 per cent whilst domestic output rose only slightly.

The volume of government final consumption in the first half of the financial year 1979/80 was slightly higher than the average for the financial year 1978/79.

On the basis of present estimates the volume of fixed investment rose in the third quarter, even though the underlying trend appears to be flat. Within the total, investment by the private sector has continued to remain more buoyant than that for the government sector.

Income at current prices (Table 2)

Total domestic income rose by 4½ per cent between the second and third quarters of 1979. Income from employment, the largest component, increased by 5½ per cent, compared with the increase of 5 per cent recorded for the previous quarter.

Output at constant 1975 prices (Table 3)

The output measure of GDP fell by 2 per cent in the third quarter. Industrial production fell by 2 per cent, reflecting the effects of the dispute in the engineering and allied industries in the third quarter, and the second quarter recouping of output which had been lost in the first quarter as a result of abnormally severe weather and the road haulage dispute. The output of the distributive trades fell 5 per cent, and that of the motor trades about 25 per cent, from second quarter levels boosted by pre-Budget sales.

The level of output in the first three quarters of 1979 was ½ per cent higher than in the second half of 1978. This growth can be attributed to higher North Sea oil and gas production (MLH 104). Manufacturing output in the first three quarters of 1979 was little changed from the level of the second half of 1978.

Personal income, expenditure and saving (Tables 4 and 5)

The UK wages and salaries bill rose 5½ per cent between the second and third quarters of 1979 following a rise of 4½ per cent in the previous quarter. The downward pressure on wages and salaries exerted by the loss of earnings in the engineering and allied industries was more than matched by sizeable back-payments made to teachers and other groups of earners in the public sector. The increase over the year to Q3 1979 was 16½ per cent, slightly higher than the 14 per cent annual increase recorded for the second quarter. Over the same period, National Insurance benefits and other government grants rose by 18 per cent and other incomes rose 20 per cent partly as a result of higher dividend payments following the removal of dividend controls at the end of July 1979.

Personal incomes after payment of income tax and National Insurance, etc. contributions rose slightly more than pre-tax incomes, mainly as a result of the increased tax allowances and associated tax rebates that were introduced in this quarter. The lowering of tax rates and the much larger rebates associated with that element of the Budget tax changes did not take effect until the fourth quarter of the year. The quarterly movement in taxes on incomes shown in Table B reflects the pattern of tax changes and rebates over recent quarters.

Changes in personal income

TABLE B

	Percentage growth of seasonally adjusted data				
	Increase on preceding quarter				
	1978 4	1979 1	2	3	Increase of Q3 1979 on Q3 1978
Total personal income	3·4	3·0	5·0	5·1	17·6
of which:					
Wages and salaries[1]	2·4	3·2	4·7	5·5	16·8
Employers' contributions	2·9	2·9	6·6	5·1	18·7
Current grants from general government	7·1	3·7	4·6	1·5	17·9
UK taxes on income	8·1	4·5	7·6	−2·8	18·1
National insurance, etc. contributions	3·3	2·0	7·4	5·6	19·6
Total personal disposable income	2·7	2·8	4·4	6·2	17·1
Real personal disposable income	1·1	0·6	0·9	0·0	2·6

[1] Including forces' pay.

Gross trading profits of industrial and commercial companies: net of stock appreciation

TABLE C

	Seasonally adjusted, £ million									
			1977	1978				1979		
	1977	1978	4	1	2	3	4	1	2	3
Gross trading profits of North Sea oil and gas (MLH 104)	1,750	2,321	443	520	566	559	676	911	1,079	1,256
Gross trading profits excluding North Sea oil and gas	12,351	14,057	3,267	3,377	3,283	3,920	3,477	3,040	3,567	3,464
Total	14,101	16,378	3,710	3,897	3,849	4,479	4,153	3,951	4,646	4,720

Real personal disposable income was little changed in the third quarter of 1979, with the rise in prices as shown by the implied consumers' expenditure deflator nullifying the increase in personal disposable income. The implied saving ratio rose from 13 per cent to 17 per cent between the second and third quarters of 1979.

The volume of consumers' expenditure dropped by 4 per cent in the third quarter following the pre-Budget spending of the second quarter. This was the first recorded fall in consumer spending since the second quarter of 1977. Notable contributions to this fall were recorded for cars and motorcycles (down 32 per cent), furniture and floor coverings (down 16 per cent) and radio and electrical goods (down 19 per cent). Expenditure on food, largely unaffected by the rise in VAT rates, rose by 2 per cent.

Industrial and commercial companies (Table 6)

Gross trading profits of industrial and commercial companies in 1979 were affected by the road haulage dispute and cold weather of the first quarter, the subsequent recovery in the second quarter and the engineering and allied industries dispute in the third quarter. In view of these influences and the provisional nature of the quarterly estimates, the best assessment of the level of company profits is given in terms of the aggregate of the estimates for the first three quarters of 1979. Profits (before providing for depreciation and stock appreciation) are estimated to have been about 30 per cent higher in the first three quarters of 1979 than in the same period of 1978. However, stock appreciation was particularly high throughout this period of 1979 and profits net of stock appreciation were only about 10 per cent higher than in the first three quarters of 1978. Excluding North Sea oil, profits net of stock appreciation fell slightly, a marked contrast to the 15 per cent rise in wages and salaries over the same period.

Both the price and volume of North Sea oil continued to rise in the third quarter. The increase in price, coupled with a 9 per cent increase in the volume of crude oil sold, contributed to a 16 per cent rise in North Sea profits (net of stock appreciation). By the third quarter profits from the North Sea oil industries accounted for about one quarter of total company profits net of stock appreciation.

Income from abroad rose again in the third quarter and was 40 per cent higher in the first three quarters of 1979, compared with the same three quarters of 1978. This increase was mainly due to higher receipts by United Kingdom oil companies from subsidiaries abroad. Rent and non-trading income rose by 14 per cent in the third quarter.

Payments of dividends on ordinary shares rose sharply, by 40 per cent, in the third quarter following the removal of dividend controls at the end of July 1979. Other interest payments also rose in the third quarter reflecting the higher interest rates paid mainly on borrowing from banks and building societies.

Profits due abroad rose in the third quarter and profits for the first three quarters of 1979 were 85 per cent higher than those recorded one year earlier. Nearly all of this rise resulted from the increased profits of foreign oil companies working in the North Sea.

Financial companies and institutions (Table 8)

Both the higher interest rates and the increased levels of the advances to the personal sector were mainly responsible for the increase in the total income of financial companies and institutions in the first three quarters of 1979. Total income was 55 per cent higher than in the same period of 1978 and the largest contribution to this rise was provided by the banking sector whose non-trading income was 60 per cent higher over the same period. Income from abroad in 1979 fell from the peak reached in the second half of 1978.

Public corporations (Table 9)

The gross trading surplus of public corporations (before allowing for stock appreciation and depreciation) was little changed in the third quarter following the fall in the second quarter. The surplus for the first half of the financial year 1979/80 was only about 2 per cent higher than for the same period twelve months earlier. Stock appreciation for this sector was high and the estimated surplus after deducting stock appreciation shows a fall over the same period of comparison.

Central government (Table 10)

Total central government receipts are estimated to have risen by 5 per cent in the third quarter of 1979 following a rise of 7 per cent in the previous quarter. Receipts of taxes on income fell with the increased tax allowances introduced in July, whilst taxes on expenditure (as measured on an

accruals basis) rose strongly as a result of the increase in the rate of VAT introduced on 20 June.

Total current expenditure rose by 3 per cent in the third quarter. The rise was mainly in total final consumption, partly resulting from a number of pay increases in the public sector. Increased sales of government stock and higher interest rates resulted in a rise in debt interest payments in the third quarter – 9 per cent higher than in Q2. Current grants paid abroad in the first half of the financial year 1979/80 were 22 per cent higher than in the same period twelve months earlier reflecting mainly the higher UK net contribution to the EEC.

Local authorities (Table 11)

Total current receipts of local authorities fell slightly in the third quarter of 1979; but receipts in the first half of the present financial year were 15 per cent higher than the half-yearly average of 1978/79.

Total current expenditure rose 5 per cent in the third quarter, largely reflecting an increase in teachers' pay.

International transactions (Table 12)

The volume of goods exported in the third quarter fell by 3 per cent, partly because shipments in the second quarter were inflated by goods delayed by the road haulage dispute of the first quarter. The volume of goods imported while remaining high also fell slightly, partly reflecting the after-effects in the second quarter of the earlier road haulage dispute and partly the fall in consumer spending on road vehicles after the pre-Budget boom.

The current price tables show that property income due abroad inceased still further in the third quarter and for the six month period to end-September was 55 per cent higher than in the same six month period of 1978. This is largely the result of increased profits of foreign oil companies operating in the United Kingdom.

Gross domestic fixed capital formation at constant 1975 prices (Tables 14 and 15)

On the basis of present estimates (see technical note) the volume of fixed investment rose in the third quarter of 1979. The best assessment of the level of fixed investment in the first three quarters of 1979 is that the volume is unlikely to have been appreciably higher than that recorded in the second half of 1978. In the first three quarters of 1979 investment in dwellings and other new buildings and works were consistently depressed, with total investment of this type down by 8 per cent from the volume in the second half of 1978. By industry, current estimates of investment by manufacturing industries show a fall in volume of 3 per cent between the second half of 1978 and the first three quarters of 1979, whereas investment by 'other industries' rose by between 5 and 10 per cent. The industrial analysis of capital expenditure is possible only on an ownership (not a usage basis). The growing volume of fixed assets bought by financial companies for lease to manufacturers is therefore classified to 'other industries' rather than to manufacturing.

Technical note

A divergence emerged in the first quarter of 1979 between the estimates of gross domestic product as measured by expenditure and as measured by income and output; and the gap persisted in the second and third quarters. Comparing the average level of GDP at 1975 prices in the first three quarters of 1979 with the second half of 1978, GDP(O) showed an increase of ½ per cent and GDP(I) showed little change; but GDP(E) showed a fall of 1½ per cent. In principle the three measures of GDP should yield identical results. In practice some discrepancies must always be expected since the three measures rely on three largely different sets of data sources, each subject to its own errors of estimation. However, discrepancies of the size and persistence of those experienced in 1979 indicate that one or more of the three measures has been subject to more radical errors or omissions.

The output measure of GDP is generally accepted as providing the most reliable indicator of quarterly changes in activity since most of the data sources are specifically geared to measuring period-to-period changes. The assumption underlying the output estimates, that the relationship between net output and gross output remains stable between benchmark years, can lead to a gradual loss in accuracy over the years between successive rebasings of the estimates; but it is unlikely to cause an abrupt error of the type that would have been necessary for the output measure to be the prime cause of the discrepancy in 1979. By contrast, the components of GDP(E) are liable to errors of estimation which may lead to large margins of error in figures of short-term change. For these reasons GDP(E) is considered to be more likely to be subject to error in 1979 than GDP(O).

Within GDP(I), provisional quarterly estimates of company profits are particularly subject to error; but the fact that the recorded movements in incomes on this occasion broadly match the output estimates lends support to the belief that imperfections in measuring final expenditure are the principal cause of the 1979 discrepancies.

An examination of commodity flows, as made possible by the experimental production accounts†, gives guidance on the particular broad commodity groups where discrepancies in estimates of demand and supply are most likely to have occurred. The sequence of balances shown by the production accounts for 1978 and for the first half of 1979 suggest that errors in 1979 have probably occurred in the measurement of demand and/or supply of chemicals and capital goods. The production accounts do not in themselves indicate whether demand has been understated or supply overstated. But insofar as the errors have occurred in the measurement of domestic demand, the production accounts suggest that the errors are more likely to have occurred in the estimates of stockbuilding and fixed investment than in the other components. The evidence of the production accounts does not preclude the possibility of error in estimates of imports and exports. Indeed the recording difficulties during the first part of 1979 may have induced errors in at least the timing of recorded transactions. However, the estimates for the first three quarters of 1979 taken together are less likely to be subject to substantial error.

† See 'Progress report on the construction and use of commodity balances within the national accounts', *Economic Trends* No. 299, September 1978.

A further strand of evidence is provided by the sector accounts (published in *Financial Statistics*). The movements in 'unidentified transactions' in the first half of 1979 suggest that mis-recording is most likely to have occurred in the industrial and commercial company sector. In this sector the 'unidentified' item is the residual difference between the net acquisition of financial assets as measured (*a*) by the surplus of undistributed income after expenditure on gross capital formation, and (*b*) by financial transactions specifically identified. The movements in this series suggest either that undistributed company income may have been overstated or capital formation (stockbuilding and/or fixed investment) understated.

The conclusion from such evidence as is available is that the discrepancies in the measurements of GDP in 1979 are likely to be largely due to difficulties in measuring expenditure. Given this, much of the shortfall in recorded expenditure is likely to have been in stockbuilding and, to a lesser extent, in fixed investment. Estimates of changes in stocks are always subject to substantial error and the movements in the present estimates of stockbuilding are being discounted in the interpretation in this article of movements in demand in 1979. The balance between imports and exports of goods and services may also have been affected to some extent by recording difficulties but estimates of consumers' expenditure and government consumption are less likely to have been subject to appreciable error.

In view of the doubts about the reliability of the expenditure-based measure of GDP in 1979 the calculation of the average estimate of GDP has been suspended in 1979. Instead the average estimate in Q4 1978 has been projected forward by the quarterly movements in the output-based measure. The estimate of national disposable income at 1975 market prices for the first half of 1979 has also been based on this substituted estimate.

Revisions

Since the publication of *Economic Trends* No. 312, October 1979, estimates of both exports and imports of goods have been revised for periods from 1976 onwards. A fuller explanation was provided in the Department of Trade press notice issued on 15 January. The following revisions have been included in the national accounts.

At current prices	1976	1977	1978	Q1-Q3 1979
Exports	−218	−414	−361	−34
Imports	+ 92	+ 81	− 43	−26
'Trade balance' and GDP (E) ..	−310	−495	−318	− 8
At 1975 prices				
Exports	−164	−266	−177	+15
Imports	+113	+159	+125	+50
'Trade balance' and GDP (E) ..	−277	−425	−302	−35

Estimates of real national disposable income are derived from the average estimate of gross domestic product. With the substitution of an estimate based on movements of GDP (O) for the average estimate in 1979 (see technical note above), the estimate of real national disposable income for the first half of 1979 has been revised upwards and now shows an increase of 1 per cent between the second half of 1978 and the first half of 1979.

Central Statistical Office

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*The tables show annual figures from 1973 and quarterly figures from 1977.

APPENDIX

Expenditure on the gross domestic product

TABLE 1

£ million

	Gross domestic product		Final expenditure on goods and services at market prices								
	At market prices	At factor cost[1]	Total	Consumers' expenditure	General government consumption	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Imports of goods and services	Taxes on expenditure	Subsidies
At current prices											
1973	72,833	64,154	91,811	45,472	13,327	14,207	1,504	17,301	18,978	10,122	1,443
1974	82,538	74,073	109,933	52,088	16,558	16,926	1,255	23,106	27,395	11,469	3,004
1975	103,949	93,502	132,967	63,704	23,050	20,545	−1,477	27,145	29,018	14,163	3,716
1976	123,038	109,958	159,909	73,765	26,683	23,602	642	35,217	36,871	16,546	3,466
1977	141,633	124,716	184,202	84,132	29,167	25,913	1,669	43,321	42,569	20,230	3,313
1978	161,321	141,681	206,800	96,086	32,693	29,218	1,528	47,275	45,479	23,238	3,598
Unadjusted											
1977 *1*	32,519	29,199	42,989	19,219	7,017	6,227	518	10,008	10,470	4,211	891
2	34,084	29,851	45,080	20,300	7,257	6,073	625	10,825	10,996	5,062	829
3	36,142	31,618	46,892	21,515	7,370	6,455	79	11,473	10,750	5,311	787
4	38,888	34,048	49,241	23,098	7,523	7,158	447	11,015	10,353	5,646	806
1978 *1*	37,693	33,549	48,551	22,155	7,915	7,234	349	10,898	10,858	5,021	877
2	38,805	33,959	50,359	23,073	7,985	6,949	335	12,017	11,554	5,709	863
3	41,013	35,951	52,565	24,626	8,196	7,206	487	12,050	11,552	5,968	906
4	43,810	38,222	55,325	26,232	8,597	7,829	357	12,310	11,515	6,540	952
1979 *1*	41,155	35,966	53,401	24,904	8,768	7,625	847	11,257	12,246	6,212	1,023
2	44,197	38,281	58,065	27,225	9,119	7,309	435	13,977	13,868	6,939	1,023
3	47,193	40,199	60,822	28,529	9,673	8,110	466	14,044	13,629	8,018	1,024
Seasonally adjusted											
1977 *1*	33,238	29,604	43,845	19,977	6,950	6,060	650	10,208	10,607	4,473	839
2	34,807	30,565	45,669	20,698	7,268	6,372	615	10,716	10,862	5,096	854
3	36,320	31,874	47,052	21,530	7,442	6,652	36	11,392	10,732	5,252	806
4	37,268	32,673	47,636	21,927	7,507	6,829	368	11,005	10,368	5,409	814
1978 *1*	38,449	33,966	49,584	22,965	7,839	7,053	468	11,259	11,135	5,317	834
2	39,565	34,678	50,761	23,567	7,993	7,283	335	11,583	11,196	5,771	884
3	41,170	36,183	52,831	24,568	8,281	7,384	465	12,133	11,661	5,909	922
4	42,137	36,854	53,624	24,986	8,580	7,498	260	12,300	11,487	6,241	958
1979 *1*	41,928	36,353	54,245	25,807	8,693	7,471	900	11,374	12,317	6,548	973
2	45,224	39,274	59,022	27,814	9,118	7,795	440	13,855	13,798	6,997	1,047
3	47,196	40,298	60,930	28,323	9,772	8,171	454	14,210	13,734	7,940	1,042

[1] Equals total final expenditure on goods and services at market prices *less* imports of goods and services *less* adjustment to factor cost. Estimates of the gross domestic product at constant factor cost based on statistics of output and income are given in Table 3, and in the text of the article.

[2] This represents taxes on expenditure *less* subsidies valued at constant rates.

Expenditure on the gross domestic product

TABLE 1 (*continued*)

£ million

	Gross domestic product		Final expenditure on goods and services at market prices							
	At market prices	At factor cost[1]	Total	Consumers' expenditure	General government consumption	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Imports of goods and services	Adjustment to factor cost[2]
Revalued at 1975 prices										
1973	106,548	95,634	137,600	65,911	21,426	21,111	3,043	26,109	31,052	10,914
1974	104,946	94,313	136,264	64,418	21,732	20,636	1,655	27,823	31,318	10,633
1975	103,949	93,502	132,967	63,704	23,050	20,545	−1,477	27,145	29,018	10,447
1976	107,538	96,681	137,835	63,852	23,477	20,623	436	29,447	30,297	10,857
1977	108,834	97,992	139,398	63,313	23,268	20,187	1,217	31,413	30,564	10,842
1978	112,380	100,523	144,131	66,728	23,623	20,485	1,129	32,166	31,751	11,857
Unadjusted										
1977 *1*	26,222	23,693	33,847	15,083	5,828	5,046	364	7,526	7,625	2,529
2	26,434	23,844	34,342	15,317	5,839	4,823	488	7,875	7,908	2,590
3	27,276	24,545	34,954	15,957	5,752	4,970	49	8,226	7,678	2,731
4	28,902	25,910	36,255	16,956	5,849	5,348	316	7,786	7,353	2,992
1978 *1*	27,108	24,307	34,906	15,772	5,932	5,273	297	7,632	7,798	2,801
2	27,374	24,513	35,415	16,106	5,867	4,940	261	8,241	8,041	2,861
3	28,327	25,346	36,314	16,998	5,833	5,010	349	8,124	7,987	2,981
4	29,571	26,357	37,496	17,852	5,991	5,262	222	8,169	7,925	3,214
1979 *1*	27,000	24,105	35,209	16,370	5,983	4,975	617	7,264	8,209	2,895
2	27,755	24,633	36,888	17,318	6,025	4,580	245	8,720	9,133	3,122
3	27,925	24,858	36,848	17,267	6,030	4,918	242	8,391	8,923	3,067
Seasonally adjusted										
1977 *1*	26,861	24,152	34,586	15,727	5,773	4,921	482	7,683	7,725	2,709
2	27,062	24,412	34,872	15,694	5,845	5,099	440	7,794	7,810	2,650
3	27,235	24,501	34,895	15,883	5,815	5,019	23	8,155	7,660	2,734
4	27,676	24,927	35,045	16,009	5,835	5,148	272	7,781	7,369	2,749
1978 *1*	27,755	24,798	35,741	16,432	5,873	5,166	390	7,880	7,986	2,957
2	27,981	25,042	35,771	16,522	5,870	5,205	229	7,945	7,790	2,939
3	28,293	25,298	36,366	16,879	5,901	5,054	346	8,186	8,073	2,995
4	28,351	25,385	36,253	16,895	5,979	5,060	164	8,155	7,902	2,966
1979 *1*	27,699	24,642	35,945	17,076	5,932	4,873	729	7,335	8,246	3,057
2	28,477	25,263	37,563	17,791	6,022	4,884	222	8,644	9,086	3,214
3	27,886	24,826	36,879	17,059	6,101	4,955	254	8,510	8,993	3,060

See footnotes on page 78.

Factor incomes in the gross national product

TABLE 2

£ million

	Gross national product		Net property income from abroad	Gross domestic product at factor cost	Factor incomes							
	At market prices	At factor cost			Total domestic income[1]	Income from employment[2]	Gross trading profits of companies	Gross trading surplus of public corporations[1]	Gross trading surplus of general government enterprises[1]	Other income[3]	*less* Stock appreciation	Residual error
1973	74,093	65,414	1,260	64,154	66,131	43,341	8,905	2,063	139	11,683	−2,974	997
1974	83,961	75,496	1,423	74,073	78,734	52,674	9,479	2,558	148	13,875	−6,057	1,396
1975	104,711	94,264	762	93,502	98,143	68,401	10,146	3,093	155	16,348	−5,529	888
1976	124,337	111,257	1,299	109,958	115,437	78,301	13,019	4,501	137	19,479	−6,490	1,011
1977	141,834	124,917	210	124,716	129,096	86,403	15,718	5,090	172	21,713	−4,987	607
1978	162,157	142,517	836	141,681	145,177	98,156	17,055	5,412	184	24,370	−4,249	753
Unadjusted												
1977 *1*	32,629	29,309	110	29,199	31,578	20,736	4,210	1,423	44	5,165	−1,970	− 409
2	34,047	29,814	− 37	29,851	31,518	21,356	3,659	1,150	42	5,311	−1,148	− 519
3	36,237	31,713	95	31,618	32,188	21,806	3,725	1,122	60	5,475	−1,121	551
4	38,921	34,081	33	34,048	33,812	22,505	4,124	1,395	26	5,762	− 748	984
1978 *1*	37,846	33,702	153	33,549	34,132	23,019	3,969	1,391	48	5,705	− 821	238
2	38,996	34,150	191	33,959	35,485	24,339	3,863	1,262	45	5,976	−1,161	− 365
3	41,366	36,304	353	35,951	36,773	25,091	4,283	1,143	48	6,208	− 990	168
4	43,949	38,361	139	38,222	38,787	25,707	4,940	1,616	43	6,481	−1,277	712
1979 *1*	41,406	36,217	251	35,966	39,239	26,245	4,986	1,642	46	6,320	−2,042	−1,231
2	44,065	38,149	− 132	38,281	41,448	27,899	5,504	1,316	20	6,709	−2,125	−1,042
3	47,212	40,218	19	40,199	42,939	29,219	5,568	1,196	70	6,886	−2,345	− 395
Seasonally adjusted												
1977 *1*	33,344	29,710	106	29,604	31,582	20,924	4,068	1,307	44	5,239	−1,970	− 8
2	34,808	30,566	1	30,565	31,827	21,291	3,910	1,249	42	5,335	−1,148	− 114
3	36,357	31,911	37	31,874	32,685	21,757	3,998	1,374	60	5,496	−1,121	310
4	37,325	32,730	57	32,673	33,002	22,431	3,742	1,160	26	5,643	− 748	419
1978 *1*	38,573	34,090	124	33,966	34,147	23,219	3,825	1,258	48	5,797	− 821	640
2	39,836	34,949	271	34,678	35,826	24,239	4,156	1,380	45	6,006	−1,161	13
3	41,450	36,463	280	36,183	37,277	25,038	4,591	1,381	48	6,219	− 990	− 104
4	42,298	37,015	161	36,854	37,927	25,660	4,483	1,393	43	6,348	−1,277	204
1979 *1*	42,148	36,573	220	36,353	39,236	26,468	4,818	1,495	46	6,409	−2,042	− 841
2	45,166	39,216	− 58	39,274	41,724	27,772	5,784	1,411	20	6,737	−2,125	− 325
3	47,146	40,248	− 50	40,298	43,644	29,294	5,954	1,416	70	6,910	−2,345	−1,001

[1] Before providing for depreciation and stock appreciation.
[2] Wages and salaries, forces' pay and employers' contributions.
[3] Income from rent and self-employment and the imputed charge for consumption of non-trading capital.

Index numbers of output at constant factor cost

TABLE 3

1975 = 100

	Gross domestic product[1,2,3]	Agriculture, forestry and fishing	Industrial production					Transport and communication	Distributive trades	Other services
			Total[2]	Mining and quarrying[4]	Manufacturing[2]	Construction[4]	Gas, electricity and water[4]			
1975 weights	*1,000*	*28*	*407*	*17*	*283*	*74*	*33*	*88*	*101*	*376*
1973	103·7	108	109·8	110·1	108·8	118·2	99·3	100	107	97
1974	102·0	110	105·8	89·9	107·5	105·8	99·2	101	103	97
1975	100·0	100	100·0	100·0	100·0	100·0	100·0	100	100	100
1976	102·1	93	102·5	125·8	102·1	98·6	102·9	99	101	104
1977	104·6	106	106·5	187·7	103·8	98·4	107·1	102	99	105
1978	107·7	113	110·1	232·3	104·1	105·5	110·2	105	103	106
Seasonally adjusted										
1977 *1*	104·4	102	106·5	174·8	105·2	96·3	106·3	103	99	104
2	104·1	105	106·2	190·2	103·5	96·9	108·5	101	97	104
3	104·8	108	106·5	190·4	103·4	99·0	107·8	102	99	105
4	105·1	109	106·8	195·6	103·2	101·3	105·7	103	99	105
1978 *1*	105·7	111	107·0	209·7	102·3	101·3	107·7	103	101	106
2	107·9	114	111·2	228·7	105·2	107·5	111·7	105	103	106
3	108·6	115	111·7	235·9	105·3	107·5	112·6	105	105	107
4	108·5	113	110·7	255·1	103·7	105·8	108·7	107	105	107
1979 *1*	107·3	111	109·8	275·9	102·4	95·9	121·0	104	104	106
2	111·4	110	115·7	294·8	108·4	102·8	117·1	111	109	108
3	109·3	110	113·4	306·5	103·6	106·8	114·5	110	104	106

[1] Alternative estimates of the gross domestic product are given in the text of the article and in Table 1.

[2] As from 1970 the figures are adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. An analysis of industrial production is given on page 26, but will differ from the series shown here because the adjustment included is not available monthly. There may also be differences because page 26 includes the latest information.

[3] Total output other than exploration for, and extraction of, petroleum and natural gas (MLH 104) is as follows:

1977	*1*	103·1	1978 *1*	103·7	1979 *1* 104·2
	2	102·4	*2*	105·6	*2* 108·0
	3	103·1	*3*	106·2	*3* 105·7
	4	103·4	*4*	105·8	

[4] This series may not be fully consistent with that shown on page 26 which includes the latest information.

Personal income, expenditure and saving

TABLE 4

£ million

	Personal income before tax									Total personal disposable income [7, 8]	Consumers' expenditure	Balance: personal saving [8, 9]		Personal disposable income at 1975 prices [10]
	Total [1]	Wages and salaries	Forces' pay	Employers' contributions [2]	Current grants from general government [3]	Other personal income [4, 5]	UK taxes on income (payments) [6]	National insurance, etc. contributions	Transfers abroad (net)					
1973	62,984	38,018	925	4,398	6,420	13,223	7,848	3,937	99	51,100	45,472	5,628	*11·0*	74,069
1974	76,156	45,916	1,071	5,687	7,875	15,607	10,349	5,000	121	60,686	52,088	8,598	*14·2*	75,051
1975	96,772	59,176	1,283	7,942	10,283	18,088	15,077	6,845	143	74,707	63,704	11,003	*14·7*	74,707
1976	112,351	66,870	1,473	9,958	12,762	21,288	17,526	8,430	13	86,382	73,765	12,617	*14·6*	74,773
1977	125,616	74,047	1,500	10,856	15,097	24,116	18,329	9,495	44	97,748	84,132	13,616	*13·9*	73,560
1978	143,213	84,383	1,643	12,130	17,853	27,204	19,672	10,023	218	113,300	96,086	17,214	*15·2*	78,682
Unadjusted														
1977 *1*	30,137	17,751	355	2,630	3,546	5,855	4,896	2,253	6	22,982	19,219	3,763	*16·4*	18,027
2	30,738	18,304	361	2,691	3,739	5,643	4,586	2,368	— 6	23,790	20,300	3,490	*14·7*	17,942
3	31,874	18,672	406	2,728	3,774	6,294	4,611	2,400	9	24,854	21,515	3,339	*13·4*	18,424
4	32,867	19,320	378	2,807	4,038	6,324	4,236	2,474	35	26,122	23,098	3,024	*11·6*	19,167
1978 *1*	33,748	19,793	385	2,841	4,216	6,513	4,957	2,511	78	26,202	22,155	4,047	*15·4*	18,650
2	35,248	20,908	420	3,011	4,465	6,444	5,005	2,433	44	27,766	23,073	4,693	*16·9*	19,378
3	36,570	21,584	413	3,094	4,434	7,045	4,789	2,498	51	29,232	24,626	4,606	*15·8*	20,174
4	37,647	22,098	425	3,184	4,738	7,202	4,921	2,581	45	30,100	26,232	3,868	*12·9*	20,480
1979 *1*	38,456	22,545	424	3,276	4,929	7,282	5,366	2,633	65	30,392	24,904	5,488	*18·1*	19,977
2	40,610	23,889	517	3,493	5,286	7,425	5,477	2,829	51	32,253	27,225	5,028	*15·6*	20,516
3	42,854	25,007	540	3,672	5,243	8,392	5,626	2,987	125	34,116	28,529	5,587	*16·4*	20,649
Seasonally adjusted														
1977 *1*	30,425	17,939	355	2,630	3,565	5,936	4,818	2,253	6	23,348	19,977	3,371	*14·4*	18,382
2	30,783	18,239	361	2,691	3,691	5,801	4,708	2,368	— 6	23,713	20,698	3,015	*12·7*	17,981
3	31,605	18,623	406	2,728	3,779	6,069	4,486	2,400	9	24,710	21,530	3,180	*12·9*	18,230
4	32,803	19,246	378	2,807	4,062	6,310	4,317	2,474	35	25,977	21,927	4,050	*15·6*	18,967
1978 *1*	33,929	19,993	385	2,841	4,219	6,491	4,890	2,511	78	26,450	22,965	3,485	*13·2*	18,931
2	35,415	20,808	420	3,011	4,380	6,796	5,128	2,433	44	27,810	23,567	4,243	*15·3*	19,502
3	36,313	21,531	413	3,094	4,469	6,806	4,640	2,498	51	29,124	24,568	4,556	*15·6*	20,015
4	37,556	22,051	425	3,184	4,785	7,111	5,014	2,581	45	29,916	24,986	4,930	*16·5*	20,234
1979 *1*	38,685	22,768	424	3,276	4,962	7,255	5,238	2,633	65	30,749	25,807	4,942	*16·1*	20,346
2	40,623	23,762	517	3,493	5,189	7,662	5,637	2,829	51	32,106	27,814	4,292	*13·4*	20,536
3	42,704	25,082	540	3,672	5,269	8,141	5,481	2,987	125	34,111	28,323	5,788	*17·0*	20,545

[1] Before providing for depreciation and stock appreciation.
[2] Employers' contributions to national insurance, etc. and pension funds.
[3] National insurance benefits, family allowances, assistance grants, war pensions and service grants, etc.
[4] Income from rent and self-employment, before providing for depreciation and stock appreciation, dividend and net interest receipts, transfers to charities from companies and an imputed charge for the capital consumption of private, non-profit-making bodies.
[5] From the second quarter of 1973 includes tax credits on dividends.
[6] From the second quarter of 1973 includes imputed tax payments set against tax credits on dividends *less* payments of these tax credits by the Inland Revenue.
[7] Equals total personal income before tax *less* payments of taxes on income, national insurance, etc. contributions and net transfers abroad.
[8] Before providing for depreciation, stock appreciation and additions to tax reserves.
[9] Personal saving as a percentage of total personal disposable income is shown in italics.
[10] Personal disposable income revalued by the implied consumers' expenditure deflator (1975 = 100).

Consumers' expenditure

TABLE 5

£ million

	Total	Food (household expenditure)	Alcoholic drink: Beer	Alcoholic drink: Wines spirits, etc.	Tobacco	Housing	Fuel and light	Clothing: Footwear	Clothing: Other	Durable goods: Total	Durable goods: Cars and motor cycles	Durable goods: Furniture and floor coverings	Durable goods: Radio and electrical goods, etc.	Other goods	Other services
At current prices															
1973	45,472	8,489	1,807	1,616	1,945	6,254	1,897	628	3,219	4,228	1,799	1,149	1,280	7,026	8,363
1974	52,088	9,817	2,071	1,844	2,238	7,410	2,270	725	3,749	4,081	1,431	1,258	1,392	8,595	9,288
1975	63,704	12,072	2,680	2,176	2,748	9,286	2,914	845	4,328	5,014	1,816	1,548	1,650	10,515	11,126
1976	73,765	14,104	3,282	2,554	3,107	10,641	3,590	968	4,797	6,004	2,299	1,807	1,898	11,997	12,721
1977	84,132	16,199	3,788	2,751	3,632	12,412	4,258	1,101	5,270	6,713	2,709	1,930	2,074	13,728	14,280
1978	96,086	17,952	4,182	3,289	3,933	13,855	4,650	1,335	6,031	8,823	4,100	2,237	2,486	15,383	16,653
Unadjusted															
1977 *1*	19,219	3,829	752	464	777	2,892	1,296	222	1,097	1,649	725	456	468	3,040	3,201
2	20,300	4,014	966	554	939	3,125	919	253	1,189	1,484	655	415	414	3,255	3,602
3	21,515	4,024	1,048	664	966	3,222	766	280	1,290	1,802	809	477	516	3,500	3,953
4	23,098	4,332	1,022	1,069	950	3,173	1,277	346	1,694	1,778	520	582	676	3,933	3,524
1978 *1*	22,155	4,232	891	565	899	3,308	1,478	260	1,218	2,155	1,074	513	568	3,429	3,720
2	23,073	4,339	1,044	697	1,012	3,453	983	310	1,376	2,007	1,009	490	508	3,647	4,205
3	24,626	4,610	1,129	790	1,018	3,556	829	345	1,489	2,411	1,224	566	621	3,887	4,562
4	26,232	4,771	1,118	1,237	1,004	3,538	1,360	420	1,948	2,250	793	668	789	4,420	4,166
1979 *1*	24,904	4,703	900	730	922	3,641	1,764	308	1,339	2,513	1,288	571	654	3,867	4,217
2	27,225	4,954	1,250	899	1,066	3,959	1,058	386	1,577	2,855	1,581	607	667	4,310	4,911
3	28,529	5,301	1,364	897	1,086	4,154	912	399	1,608	2,515	1,234	610	671	4,804	5,489
Revalued at 1975 prices															
1973	65,911	12,210	2,589	2,187	2,918	9,181	2,930	816	4,367	6,064	2,668	1,650	1,746	10,658	11,991
1974	64,418	12,099	2,590	2,302	2,885	9,081	2,984	822	4,287	5,056	1,820	1,489	1,747	10,735	11,577
1975	63,704	12,072	2,680	2,176	2,748	9,286	2,914	845	4,328	5,014	1,816	1,548	1,650	10,515	11,126
1976	63,852	12,189	2,738	2,273	2,653	9,255	2,887	867	4,330	5,350	1,971	1,613	1,766	10,615	10,695
1977	63,313	12,049	2,728	2,209	2,523	9,399	2,962	854	4,248	5,073	1,922	1,463	1,688	10,531	10,737
1978	66,728	12,312	2,803	2,512	2,770	9,560	3,015	944	4,519	5,938	2,508	1,540	1,890	10,950	11,405
Unadjusted															
1977 *1*	15,083	2,886	561	377	585	2,333	952	183	922	1,308	548	364	396	2,463	2,513
2	15,317	2,995	704	454	650	2,358	640	197	985	1,131	471	319	341	2,485	2,718
3	15,957	2,995	742	532	647	2,393	518	216	1,025	1,328	554	357	417	2,656	2,905
4	16,956	3,173	721	846	641	2,315	852	258	1,316	1,306	349	423	534	2,927	2,601
1978 *1*	15,772	2,977	610	444	631	2,377	986	190	940	1,491	683	366	442	2,504	2,622
2	16,106	2,991	695	532	724	2,394	636	223	1,040	1,359	629	342	388	2,623	2,889
3	16,998	3,166	751	601	720	2,429	525	242	1,109	1,588	731	387	470	2,771	3,096
4	17,852	3,178	747	935	695	2,360	868	289	1,430	1,500	465	445	590	3,052	2,798
1979 *1*	16,370	2,975	577	533	635	2,407	1,122	209	970	1,587	726	377	484	2,610	2,745
2	17,318	3,091	741	643	721	2,452	656	255	1,125	1,751	874	390	487	2,768	3,115
3	17,267	3,255	769	590	673	2,495	525	243	1,093	1,467	640	361	466	2,787	3,370
Seasonally adjusted															
1977 *1*	15,727	2,954	644	551	628	2,350	731	216	1,066	1,260	475	373	412	2,655	2,672
2	15,694	3,055	702	517	627	2,339	763	203	1,042	1,218	450	358	410	2,569	2,659
3	15,883	2,963	677	575	631	2,356	749	216	1,069	1,293	501	364	428	2,650	2,704
4	16,009	3,077	705	566	637	2,354	719	219	1,071	1,302	496	368	438	2,657	2,702
1978 *1*	16,432	3,045	702	632	678	2,388	746	224	1,088	1,425	591	375	459	2,696	2,808
2	16,522	3,052	691	606	698	2,378	759	231	1,105	1,457	606	384	467	2,713	2,832
3	16,879	3,130	682	648	703	2,390	771	245	1,160	1,530	655	394	481	2,773	2,849
4	16,895	3,085	728	626	691	2,404	739	246	1,166	1,526	656	387	483	2,768	2,916
1979 *1*	17,076	3,042	662	772	683	2,415	850	246	1,120	1,514	626	386	502	2,809	2,963
2	17,791	3,154	737	732	694	2,438	787	264	1,191	1,875	851	439	585	2,864	3,055
3	17,059	3,210	700	633	656	2,454	774	242	1,139	1,420	577	367	476	2,783	3,048

Appropriation account of companies and financial institutions

TABLE 6

£ million

	Income					Allocation of income							
		Income arising in the United Kingdom					Dividends and Interest, etc.						
		Gross trading profits								UK taxes on income (payments)[4]			
	Total[1]	After deducting stock appreciation	Stock appreciation	Total[2]	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other[3]	Profits due abroad (net of UK tax)	Total	*of which* advance corporation tax[5]	Balance undistributed income[6]	Taxes paid abroad on income from abroad[1]
1973	15,574	6,615	2,290	8,905	4,198	2,471	1,695	3,365	763	1,762	276	7,989	*2,550*
1974	17,552	4,773	4,706	9,479	5,250	2,823	1,518	4,411	668	2,740	1,020	8,215	*4,178*
1975	18,091	5,884	4,262	10,146	5,615	2,330	1,645	4,577	627	2,285	938	8,957	*3,628*
1976	23,137	8,025	4,994	13,019	6,755	3,363	1,897	4,995	984	2,192	1,015	13,069	*4,415*
1977	26,285	11,949	3,769	15,718	7,307	3,260	2,309	5,205	1,891	3,034	1,212	13,846	*4,272*
1978	29,125	13,968	3,087	17,055	8,085	3,985	2,758	5,354	2,002	3,779	1,363	15,232	*4,048*
Unadjusted													
1977 *1*	6,914	2,746	1,464	4,210	1,885	819	432	1,391	424	1,271	315	3,396	*1,086*
2	6,353	2,778	881	3,659	1,845	849	647	1,326	527	423	247	3,430	*1,113*
3	6,349	2,883	842	3,725	1,829	795	606	1,237	458	617	347	3,431	*1,037*
4	6,669	3,542	582	4,124	1,748	797	624	1,251	482	723	303	3,589	*1,036*
1978 *1*	6,571	3,448	521	3,969	1,764	838	523	1,115	477	1,549	356	2,907	*949*
2	6,783	2,960	903	3,863	1,924	996	798	1,219	484	480	256	3,802	*1,036*
3	7,423	3,563	720	4,283	2,093	1,047	665	1,401	440	699	422	4,218	*1,079*
4	8,348	3,997	943	4,940	2,304	1,104	772	1,619	601	1,051	329	4,305	*984*
1979 *1*	8,661	3,504	1,482	4,986	2,560	1,115	598	1,757	628	1,704	414	3,974	*1,269*
2	9,375	3,730	1,774	5,504	2,659	1,212	923	1,877	931	883	345	4,761	*1,279*
3	9,733	3,684	1,884	5,568	2,893	1,272	1,041	2,124	916	766	369	4,886	*1,273*
Seasonally adjusted													
1977 *1*	6,819	2,604	1,464	4,068	1,897	854	592	1,425	422	709	283	3,671	*1,094*
2	6,558	3,029	881	3,910	1,825	823	522	1,318	503	707	311	3,508	*1,102*
3	6,638	3,156	842	3,998	1,835	805	572	1,247	493	807	301	3,519	*1,007*
4	6,270	3,160	582	3,742	1,750	778	623	1,215	473	811	317	3,148	*1,069*
1978 *1*	6,437	3,304	521	3,825	1,753	859	718	1,151	471	859	319	3,238	*964*
2	7,045	3,253	903	4,156	1,907	982	641	1,225	462	842	323	3,875	*1,021*
3	7,762	3,871	720	4,591	2,114	1,057	629	1,408	473	922	371	4,330	*1,050*
4	7,881	3,540	943	4,483	2,311	1,087	770	1,570	596	1,156	350	3,789	*1,013*
1979 *1*	8,521	3,336	1,482	4,818	2,562	1,141	745	1,798	622	1,019	375	4,337	*1,288*
2	9,647	4,010	1,774	5,784	2,660	1,203	768	1,867	904	1,221	422	4,887	*1,250*
3	10,123	4,070	1,884	5,954	2,900	1,269	1,038	2,093	951	1,204	308	4,837	*1,264*

[1] Taxes paid abroad are not included in total income, but are shown only as a memorandum item.
[2] Before providing for depreciation and stock appreciation.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] Mainly payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.
[5] Including the additional charge in the financial year 1974–75.
[6] Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of industrial and commercial companies

TABLE 7

£ million

	Income							Allocation of income						
	Income arising in the United Kingdom							Dividends and interest, etc.						
	Gross trading profits			Rent and non-trading income										
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other[3]	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[2]
1973	12,680	7,430	2,290	9,720	1,021	501	1,939	1,638	2,394	1,806	665	1,156	6,827	2,357
1974	14,474	6,318	4,706	11,024	1,307	697	2,143	1,469	3,376	2,716	525	1,985	7,119	4,008
1975	14,857	7,658	4,262	11,920	1,296	621	1,641	1,608	3,352	2,674	447	1,566	7,884	3,451
1976	18,966	10,009	4,994	15,003	1,604	814	2,359	1,852	3,875	3,156	744	1,160	11,335	4,111
1977	21,704	14,101	3,769	17,870	1,519	654	2,315	2,242	3,794	3,068	1,631	1,955	12,082	3,879
1978	23,958	16,378	3,087	19,465	1,837	854	2,656	2,695	4,144	3,480	1,769	2,419	12,931	3,597
Unadjusted														
1977 *1*	5,772	3,275	1,464	4,739	441	230	592	419	1,067	908	349	319	3,618	985
2	5,177	3,312	881	4,193	369	156	615	615	944	773	451	368	2,799	1,015
3	5,184	3,422	842	4,264	362	145	558	588	907	731	404	575	2,710	940
4	5,571	4,092	582	4,674	347	123	550	620	876	656	427	693	2,955	939
1978 *1*	5,500	4,041	521	4,562	370	141	568	515	785	632	417	329	3,454	833
2	5,585	3,556	903	4,459	444	203	682	752	976	823	424	418	3,015	920
3	6,062	4,171	720	4,891	484	235	687	650	1,113	944	383	657	3,259	969
4	6,811	4,610	943	5,553	539	275	719	778	1,270	1,081	545	1,015	3,203	875
1979 *1*	7,002	4,119	1,482	5,601	580	292	821	593	1,378	1,237	568	429	4,034	1,164
2	7,638	4,366	1,774	6,140	588	291	910	861	1,422	1,276	874	818	3,663	1,163
3	7,851	4,334	1,884	6,218	667	343	966	1,042	1,598	1,458	859	724	3,628	1,151
Seasonally adjusted														
1977 *1*	5,650	3,133	1,464	4,597	442	230	611	572	1,108	915	347	457	3,166	993
2	5,417	3,563	881	4,444	369	156	604	508	940	760	427	456	3,086	1,004
3	5,462	3,695	842	4,537	363	145	562	555	912	734	439	520	3,036	910
4	5,175	3,710	582	4,292	345	123	538	607	834	659	418	522	2,794	972
1978 *1*	5,382	3,897	521	4,418	371	141	593	702	824	640	411	550	2,895	848
2	5,866	3,849	903	4,752	444	203	670	621	974	810	402	539	3,330	905
3	6,369	4,479	720	5,199	485	235	685	612	1,117	946	416	590	3,634	940
4	6,341	4,153	943	5,096	537	275	708	760	1,229	1,084	540	740	3,072	904
1979 *1*	6,864	3,951	1,482	5,433	582	292	849	738	1,417	1,249	562	653	3,494	1,183
2	7,905	4,646	1,774	6,420	588	291	897	739	1,416	1,257	847	782	4,121	1,134
3	8,236	4,720	1,884	6,604	669	343	963	1,042	1,596	1,462	894	771	3,933	1,142

[1] Before providing for depreciation and stock appreciation.

[2] These items are included solely as memorandum items.

[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.

[4] The residual of all companies payments and accruals of financial companies and institutions taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.

[5] Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of financial companies and institutions

TABLE 8

£ million

	Income						Allocation of income							
		Income arising in the United Kingdom					Dividends and interest, etc.							
			Rent and non-trading income			Income from abroad (net of taxes paid abroad)		Other interest payments						
	Total	Gross trading profits[1, 2]	of the Banking sector	of Building societies	Other		Dividends and debenture and loan interest payments[3]	by the Banking sector	by Building societies	Other	Profits due abroad (net of UK tax)	UK taxes on income[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[6]
1973	5,201	−815	3,238	1,467	779	532	307	1,421	1,361	246	98	606	1,162	193
1974	6,491	−1,545	4,608	1,930	818	680	277	2,204	1,743	273	143	755	1,096	170
1975	6,529	−1,774	4,494	2,248	872	689	298	1,971	2,002	286	180	719	1,073	177
1976	8,141	−1,984	5,325	2,650	1,146	1,004	326	2,203	2,298	308	240	1,032	1,734	304
1977	8,303	−2,152	4,891	3,146	1,473	945	379	1,776	2,717	328	260	1,079	1,764	393
1978	9,501	−2,410	5,523	3,355	1,704	1,329	419	2,078	2,757	353	233	1,360	2,301	451
Unadjusted														
1977 *1*	2,280	−529	1,466	792	324	227	74	599	715	87	75	952	−222	101
2	2,105	−534	1,216	807	382	234	123	447	695	78	76	55	631	98
3	2,041	−539	1,163	792	388	237	100	381	660	83	54	42	721	97
4	1,877	−550	1,046	755	379	247	82	349	647	80	55	30	634	97
1978 *1*	1,844	−593	1,021	766	380	270	78	342	606	85	60	1,220	−547	116
2	2,224	−596	1,303	777	426	314	150	483	595	87	60	62	787	116
3	2,540	−608	1,492	859	437	360	97	562	736	87	57	42	959	110
4	2,893	−613	1,707	953	461	385	94	691	820	94	56	36	1,102	109
1979 *1*	3,188	−615	1,931	1,076	502	294	82	752	967	112	60	1,275	−60	105
2	3,304	−636	1,941	1,142	555	302	169	810	999	106	57	65	1,098	116
3	3,683	−650	2,232	1,197	598	306	113	994	1,102	117	57	42	1,258	122
Seasonally adjusted														
1977 *1*	2,314	−529	1,466	803	331	243	90	599	706	87	75	252	505	101
2	2,057	−534	1,216	787	369	219	93	447	690	78	76	251	422	98
3	2,055	−539	1,163	797	391	−243	98	381	669	83	54	287	483	97
4	1,877	−550	1,046	759	382	240	98	349	652	80	55	289	354	97
1978 *1*	1,836	−593	1,021	754	388	266	96	342	601	85	60	309	343	116
2	2,192	−596	1,303	760	413	312	110	483	604	87	60	303	545	116
3	2,574	−608	1,492	879	439	372	98	562	742	87	57	332	696	110
4	2,899	−613	1,707	962	464	379	115	691	810	94	56	416	717	109
1979 *1*	3,198	−615	1,931	1,076	514	292	98	752	967	112	60	366	843	105
2	3,290	−636	1,941	1,143	536	306	121	810	991	106	57	439	766	116
3	3,692	−650	2,232	1,202	602	306	116	994	1,071	117	57	433	904	122

[1] Before providing for depreciation and stock appreciation, but the latter is negligible.

[2] This represents the contribution of financial companies and institutions to the gross domestic product. It is the difference between bank charges, commissions, etc., on the one hand and management expenses (wages and salaries and payments for current expenses) on the other.

[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in UK taxes on income.

[4] The accrual of corporation tax on taxable income including from 6 April 1973 advance corporation tax due from financial companies and institutions.

[5] Before providing for depreciation, stock appreciation and additions to reserves.

[6] This item is shown only as a memorandum item.

Appropriation account of public corporations

TABLE 9

£ million

	Income							Allocation of income				
		Gross trading surplus						Payments of interest and dividends				
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	*Of which* subsidies	Rent and non-trading income	Income from abroad	Total	To general government	Other	UK taxes on income (payments)[2]	Balance undistributed income[3]
1973	2,408	1,935	128	2,063	654	325	20	1,133	889	244	8	1,267
1974	2,997	2,242	316	2,558	1,338	409	30	1,586	1,158	428	11	1,400
1975	3,599	2,745	348	3,093	1,140	466	40	1,906	1,341	565	12	1,681
1976	5,260	4,131	370	4,501	1,026	703	56	2,394	1,649	745	2	2,864
1977	5,884	4,743	347	5,090	1,039	742	52	2,533	1,774	759	21	3,330
1978	6,210	5,058	354	5,412	1,185	740	58	2,490	1,679	811	28	3,692
Unadjusted												
1977 *1*	1,638	1,209	214	1,423	260	203	12	721	549	172	21	896
2	1,354	1,098	52	1,150	252	191	13	518	337	181	—	836
3	1,312	1,057	65	1,122	257	177	13	839	658	181	—	473
4	1,580	1,379	16	1,395	270	171	14	455	230	225	—	1,125
1978 *1*	1,589	1,263	128	1,391	290	185	13	741	553	188	28	820
2	1,458	1,202	60	1,262	291	183	13	528	292	236	—	930
3	1,330	1,084	59	1,143	297	174	13	681	514	167	—	649
4	1,833	1,509	107	1,616	307	198	19	540	320	220	—	1,293
1979 *1*	1,871	1,349	293	1,642	383	212	17	854	639	215	63	954
2	1,513	1,255	61	1,316	325	180	17	625	397	228	—	888
3	1,437	1,047	149	1,196	346	223	18	723	565	158	—	714
Seasonally adjusted												
1977 *1*	1,522	1,093	214	1,307	260	203	12	604	432	172	5	913
2	1,453	1,197	52	1,249	252	191	13	690	509	181	5	758
3	1,564	1,309	65	1,374	257	177	13	724	543	181	5	835
4	1,345	1,144	16	1,160	270	171	14	515	290	225	6	824
1978 *1*	1,456	1,130	128	1,258	290	185	13	627	439	188	7	822
2	1,576	1,320	60	1,380	291	183	13	654	418	236	7	915
3	1,568	1,322	59	1,381	297	174	13	565	398	167	7	996
4	1,610	1,286	107	1,393	307	198	19	644	424	220	7	959
1979 *1*	1,724	1,202	293	1,495	383	212	17	721	506	215	16	987
2	1,608	1,350	61	1,411	325	180	17	753	525	228	15	840
3	1,657	1,267	149	1,416	346	223	18	596	438	158	16	1,045

[1] Before providing for depreciation and stock appreciation.
[2] Payments to Inland Revenue *less* amounts deducted from dividends and interest paid.
[3] Before providing for depreciation, stock appreciation and additions to reserves.

Current account of central government including National Insurance Fund

TABLE 10

Receipts

£ million

	Total	Taxes on income[1]	Taxes on expenditure: Selective employment tax	Taxes on expenditure: National insurance surcharge	Taxes on expenditure: Other taxes	National insurance contributions	National health contributions	Redundancy Fund contributions[2]	Gross trading surplus[3]	Rent, dividends and interest	Imputed charge for consumption of non-trading capital
1973	22,582	9,275	132	—	7,343	3,646	239	52	5	1,769	121
1974	28,246	12,514	—	—	8,380	4,713	235	52	51	2,142	159
1975	36,482	16,632	—	—	10,185	6,308	450	87	77	2,532	211
1976	42,690	18,872	—	—	12,043	7,710	606	114	37	3,049	259
1977	48,896	20,378	—	977	14,188	8,667	675	153	51	3,512	295
1978	54,070	22,321	—	1,751	15,794	9,079	762	182	47	3,805	329
Unadjusted											
1977 *1*	12,369	5,988	—	—	3,046	2,062	160	31	15	997	70
2	11,709	4,735	—	319	3,454	2,160	168	40	13	748	72
3	12,568	4,939	—	324	3,688	2,189	171	40	28	1,114	75
4	12,250	4,716	—	334	4,000	2,256	176	42	— 5	653	78
1978 *1*	13,714	6,292	—	339	3,354	2,290	179	42	14	1,124	80
2	12,758	5,145	—	364	3,901	2,199	189	45	11	823	81
3	13,358	5,205	—	373	4,140	2,257	194	47	14	1,045	83
4	14,240	5,679	—	675	4,399	2,333	200	48	8	813	85
1979 *1*	15,577	6,872	—	680	4,059	2,381	203	49	10	1,234	89
2	15,147	6,017	—	729	4,532	2,560	217	52	—16	962	94
3	16,587	5,976	—	767	5,563	2,704	228	55	34	1,161	99
Seasonally adjusted											
1977 *1*	11,747	5,247	—	—	3,308	2,062	160	31	15	854	70
2	12,392	5,209	—	319	3,488	2,160	168	40	13	923	72
3	12,484	5,028	—	324	3,629	2,189	171	40	28	1,000	75
4	12,273	4,894	—	334	3,763	2,256	176	42	— 5	735	78
1978 *1*	12,984	5,417	—	339	3,650	2,290	179	42	14	973	80
2	13,526	5,713	—	364	3,963	2,199	189	45	11	961	81
3	13,279	5,304	—	373	4,081	2,257	194	47	14	926	83
4	14,281	5,887	—	675	4,100	2,333	200	48	8	945	85
1979 *1*	14,821	5,952	—	680	4,395	2,381	203	49	10	1,062	89
2	15,898	6,560	—	729	4,590	2,560	217	52	—16	1,112	94
3	16,706	6,312	—	767	5,485	2,704	228	55	34	1,022	99

[1] Tax receipts less tax credits.
[2] These include, from April 1977, contributions to the Maternity Pay Fund.
[3] Before providing for depreciation and stock appreciation.

Current account of central government including National Insurance Fund

TABLE 10 *(continued)*

	Expenditure												
	£ million												
			Final consumption										
	Total	Total current expenditure	Total	Military defence	National health service	Other	Subsidies	National insurance benefits	Other current grants to personal sector	Debt interest	Current grants to local authorities	Current grants paid abroad	Balance: current surplus[1]
1973	22,582	21,406	7,773	3,399	2,524	1,850	1,329	3,927	2,220	1,834	3,964	359	1,176
1974	28,246	27,487	9,920	4,012	3,572	2,336	2,716	4,922	2,638	2,233	4,738	320	759
1975	36,482	37,196	13,231	5,097	4,903	3,231	3,244	6,376	3,491	2,761	7,726	367	− 714
1976	42,690	44,864	15,756	6,145	5,788	3,823	2,991	7,918	4,290	3,737	9,388	784	−2,174
1977	48,896	49,735	17,370	6,784	6,475	4,111	2,851	9,225	5,167	4,641	9,370	1,111	− 839
1978	54,070	56,984	19,423	7,432	7,360	4,631	3,086	10,506	6,493	5,629	10,147	1,700	−2,914
Unadjusted													
1977 *1*	12,369	12,235	4,166	1,605	1,532	1,029	776	2,253	1,099	1,246	2,379	316	134
2	11,709	12,240	4,277	1,665	1,607	1,005	709	2,229	1,314	1,041	2,399	271	− 531
3	12,568	12,446	4,435	1,770	1,644	1,021	666	2,272	1,307	1,270	2,202	294	122
4	12,250	12,814	4,492	1,744	1,692	1,056	700	2,471	1,447	1,084	2,390	230	− 564
1978 *1*	13,714	13,994	4,708	1,771	1,768	1,169	762	2,595	1,353	1,468	2,536	572	− 280
2	12,758	13,829	4,734	1,851	1,749	1,134	740	2,583	1,618	1,178	2,626	350	−1,071
3	13,358	14,308	4,913	1,873	1,897	1,143	772	2,583	1,653	1,544	2,425	418	− 950
4	14,240	14,853	5,068	1,937	1,946	1,185	812	2,745	1,869	1,439	2,560	360	− 613
1979 *1*	15,577	15,805	5,242	1,968	1,993	1,281	875	2,904	1,749	1,688	2,765	582	− 228
2	15,147	16,102	5,385	2,111	2,068	1,206	866	2,836	2,166	1,517	2,876	456	− 955
3	16,587	16,834	5,773	2,208	2,203	1,362	855	2,843	2,173	1,930	2,786	474	− 247
Seasonally adjusted													
1977 *1*	11,747	11,833	4,117	1,605	1,538	974	724	2,253	1,150	1,187	2,161	241	− 86
2	12,392	12,459	4,305	1,665	1,600	1,040	734	2,250	1,271	1,134	2,472	293	− 67
3	12,484	12,501	4,458	1,770	1,647	1,041	685	2,281	1,316	1,161	2,275	325	− 17
4	12,273	12,942	4,490	1,744	1,690	1,056	708	2,441	1,430	1,159	2,462	252	− 669
1978 *1*	12,984	13,353	4,652	1,771	1,776	1,105	719	2,595	1,420	1,222	2,283	462	− 369
2	13,526	14,259	4,763	1,851	1,740	1,172	761	2,605	1,565	1,460	2,710	395	− 733
3	13,279	14,419	4,942	1,873	1,901	1,168	788	2,591	1,660	1,469	2,509	460	−1,140
4	14,281	14,953	5,066	1,937	1,943	1,186	818	2,715	1,848	1,478	2,645	383	− 672
1979 *1*	14,821	15,118	5,189	1,968	2,001	1,220	825	2,904	1,834	1,570	2,346	450	− 297
2	15,898	16,461	5,409	2,111	2,057	1,241	890	2,859	2,099	1,666	3,015	523	− 563
3	16,706	16,968	5,806	2,208	2,209	1,389	873	2,851	2,180	1,811	2,926	521	− 262

[1] Before providing for depreciation and stock appreciation.

Current account of local authorities

TABLE 11

		Receipts							
		£ million							
		Total	Current grants from central government	Rates		Gross trading surplus[1]	Rent	Dividends and interest	Imputed charge for consumption of non-trading capital
				Cash receipts	Accruals adjustment[2]				
1973		8,138	3,964	2,533	114	134	886	183	324
1974		9,850	4,738	3,083	6	97	1,206	342	378
1975		14,201	7,726	4,127	−149	78	1,476	454	489
1976		16,908	9,388	4,646	−143	100	1,798	539	580
1977		17,735	9,370	5,240	−175	121	1,971	556	652
1978		19,375	10,147	5,761	− 68	137	2,168	520	710
Unadjusted									
1977	*1*	4,360	2,379	786	379	29	487	142	158
	2	4,504	2,399	1,460	−171	29	491	135	161
	3	4,334	2,202	1,309	− 10	32	493	143	165
	4	4,537	2,390	1,685	−373	31	500	136	168
1978	*1*	4,721	2,536	774	554	34	515	136	172
	2	4,936	2,626	1,761	−317	34	527	130	175
	3	4,770	2,425	1,342	113	34	550	127	179
	4	4,948	2,560	1,884	−418	35	576	127	184
1979	*1*	5,204	2,765	851	622	36	591	147	192
	2	5,522	2,876	2,119	−441	36	613	120	199
	3	5,476	2,786	1,662	26	36	627	132	207
Seasonally adjusted									
1977	*1*	4,141	2,161	1,165		29	487	141	158
	2	4,582	2,472	1,289		29	491	140	161
	3	4,408	2,275	1,299		32	493	144	165
	4	4,604	2,462	1,312		31	500	131	168
1978	*1*	4,466	2,283	1,328		34	515	134	172
	2	5,025	2,710	1,444		34	527	135	175
	3	4,854	2,509	1,455		34	550	127	179
	4	5,030	2,645	1,466		35	576	124	184
1979	*1*	4,783	2,346	1,473		36	591	145	192
	2	5,665	3,015	1,678		36	613	124	199
	3	5,617	2,926	1,688		36	627	133	207

[1] Before providing for depreciation and stock appreciation.
[2] Adjustments to accruals of rates for the quarter, as included in taxes on expenditure and in the adjustment to factor cost in Table 1.

Current account of local authorities

TABLE 11 (*continued*)

		Expenditure								
		£ million								
		Total	Total current expenditure	Final consumption			Subsidies	Current grants to personal sector	Debt interest	Balance: current surplus[1]
				Total	Education	Other				
1973		8,138	7,385	5,554	2,670	2,884	114	273	1,444	753
1974		9,850	9,287	6,638	3,196	3,442	288	315	2,046	563
1975		14,201	13,040	9,819	4,943	4,876	472	416	2,333	1,161
1976		16,908	14,713	10,927	5,351	5,576	475	554	2,757	2,195
1977		17,735	15,928	11,797	5,765	6,032	462	705	2,964	1,807
1978		19,375	17,643	13,270	6,530	6,740	512	854	3,007	1,732
Unadjusted										
1977	*1*	4,360	4,099	2,851	1,402	1,449	115	194	939	261
	2	4,504	3,837	2,980	1,469	1,511	120	196	541	667
	3	4,334	4,080	2,935	1,416	1,519	121	195	829	254
	4	4,537	3,912	3,031	1,478	1,553	106	120	655	625
1978	*1*	4,721	4,506	3,207	1,530	1,677	115	268	916	215
	2	4,936	4,220	3,251	1,635	1,616	123	264	582	716
	3	4,770	4,396	3,283	1,600	1,683	134	198	781	374
	4	4,948	4,521	3,529	1,765	1,764	140	124	728	427
1979	*1*	5,204	5,032	3,526	1,755	1,771	148	276	1,082	172
	2	5,522	4,863	3,734	1,800	1,934	157	284	688	659
	3	5,476	5,265	3,900	1,883	2,017	169	227	969	211
Seasonally adjusted										
1977	*1*	4,141	3,862	2,833	1,384	1,449	115	162	752	279
	2	4,582	3,979	2,963	1,452	1,511	120	170	726	603
	3	4,408	4,063	2,984	1,465	1,519	121	182	776	345
	4	4,604	4,024	3,017	1,464	1,553	106	191	710	580
1978	*1*	4,466	4,232	3,187	1,510	1,677	115	204	726	234
	2	5,025	4,340	3,230	1,614	1,616	123	210	777	685
	3	4,854	4,412	3,339	1,656	1,683	134	218	721	442
	4	5,030	4,659	3,514	1,750	1,764	140	222	783	371
1979	*1*	4,783	4,736	3,504	1,733	1,771	148	224	860	47
	2	5,665	5,011	3,709	1,775	1,934	157	231	914	654
	3	5,617	5,274	3,966	1,949	2,017	169	238	901	343

[1] Before providing for depreciation and stock appreciation.

International transactions

TABLE 12

	United Kingdom credits							
	£ million							
	At current prices						Revalued at 1975 prices	
		Exports and property income from abroad						
	Total credits	Exports of goods[1,2]	Exports of services	Property income from abroad	United Kingdom taxes paid by non-residents	Current transfers to personal sector	Exports of goods[2]	Exports of services
1973	23,353	12,115	5,186	5,412	341	299	19,025	7,084
1974	31,357	16,538	6,568	7,508	410	333	20,288	7,535
1975	34,503	19,463	7,682	6,496	502	360	19,463	7,682
1976	44,534	25,193	10,024	8,346	475	496	21,193	8,254
1977	52,546	31,734	11,587	8,285	370	570	22,870	8,543
1978	57,689	35,071	12,204	9,144	640	630	23,735	8,431
Unadjusted								
1977 *1*	12,280	7,488	2,520	2,047	86	139	5,613	1,913
2	13,211	8,003	2,822	2,141	104	141	5,785	2,090
3	13,734	8,117	3,356	2,030	87	144	5,779	2,447
4	13,321	8,126	2,889	2,067	93	146	5,693	2,093
1978 *1*	13,253	8,210	2,688	2,057	148	150	5,690	1,942
2	14,697	9,120	2,897	2,339	180	161	6,246	1,995
3	14,764	8,502	3,548	2,404	150	160	5,705	2,419
4	14,975	9,239	3,071	2,344	162	159	6,094	2,075
1979 *1*	14,232	8,428	2,829	2,658	162	155	5,419	1,845
2	17,161	10,789	3,188	2,811	219	154	6,726	1,994
3	17,269	10,105	3,939	2,868	208	149	6,063	2,328
Seasonally adjusted								
1977 *1*	12,531	7,428	2,780	2,097	87	139	5,573	2,110
2	13,050	7,827	2,889	2,094	99	141	5,659	2,135
3	13,646	8,423	2,969	2,015	95	144	5,994	2,161
4	13,319	8,056	2,949	2,079	89	146	5,644	2,137
1978 *1*	13,655	8,332	2,927	2,097	149	150	5,775	2,105
2	14,219	8,610	2,973	2,299	176	161	5,903	2,042
3	14,836	8,989	3,144	2,388	155	160	6,029	2,157
4	14,979	9,140	3,160	2,360	160	159	6,028	2,127
1979 *1*	14,423	8,277	3,097	2,722	172	155	5,324	2,011
2	16,979	10,586	3,269	2,767	203	154	6,602	2,042
3	17,449	10,728	3,482	2,875	215	149	6,435	2,075

[1] On a balance of payments basis.

[2] Previously published figures have been revised back to 1976 by the Department of Trade in the light of later information on balance of payments adjustments. Revisions for earlier periods are not yet available.

International transactions

TABLE 12 (*continued*)

United Kingdom debits

£ million

	At current prices									Revalued at 1975 prices	
			Imports and property income paid abroad				Current transfers				
	Total[1]	Total debits[1]	Imports of goods[2,4]	Imports of services	Property income paid abroad	Foreign taxes paid by United Kingdom residents	From personal sector	From central government[1]	Balance: net investment and capital transfers abroad[3]	Imports of goods[4]	Imports of services
1973	23,353	24,228	14,498	4,480	1,919	2,574	398	359	−875	24,692	6,360
1974	31,357	34,664	21,773	5,622	2,284	4,211	454	320	−3,307	24,899	6,419
1975	34,503	36,124	22,699	6,319	2,576	3,660	503	367	−1,621	22,699	6,319
1976	44,534	45,686	29,104	7,767	3,070	4,452	509	784	−1,152	24,083	6,214
1977	52,546	52,748	33,973	8,596	4,133	4,321	614	1,111	−202	24,499	6,065
1978	57,689	56,975	36,564	8,915	4,851	4,097	848	1,700	714	25,684	6,067
Unadjusted											
1977 *1*	12,280	12,954	8,566	1,904	926	1,097	145	316	−674	6,254	1,371
2	13,211	13,684	8,893	2,103	1,157	1,125	135	271	−473	6,420	1,488
3	13,734	13,219	8,259	2,491	972	1,050	153	294	515	5,938	1,740
4	13,321	12,891	8,255	2,098	1,078	1,049	181	230	430	5,887	1,466
1978 *1*	13,253	13,710	8,916	1,942	1,092	960	228	572	−457	6,434	1,364
2	14,697	14,437	9,298	2,256	1,279	1,049	205	350	260	6,513	1,528
3	14,764	14,382	8,969	2,583	1,108	1,093	211	418	382	6,239	1,748
4	14,975	14,446	9,381	2,134	1,372	995	204	360	529	6,498	1,427
1979 *1*	14,232	15,617	10,089	2,157	1,300	1,269	220	582	−1,385	6,790	1,419
2	17,161	17,691	11,339	2,529	1,883	1,279	205	456	−530	7,505	1,628
3	17,269	17,434	10,602	3,027	1,784	1,273	274	474	−165	6,999	1,924
Seasonally adjusted											
1977 *1*	12,531	13,071	8,508	2,099	972	1,106	145	241	−540	6,216	1,509
2	13,050	13,482	8,750	2,112	1,075	1,117	135	293	−432	6,315	1,495
3	13,646	13,283	8,520	2,212	1,051	1,022	153	325	363	6,126	1,534
4	13,319	12,912	8,195	2,173	1,035	1,076	181	252	407	5,842	1,527
1978 *1*	13,655	13,947	8,970	2,165	1,147	975	228	462	−292	6,472	1,514
2	14,219	14,000	8,933	2,263	1,170	1,034	205	395	219	6,257	1,533
3	14,836	14,595	9,414	2,247	1,199	1,064	211	460	241	6,550	1,523
4	14,979	14,433	9,247	2,240	1,335	1,024	204	383	546	6,405	1,497
1979 *1*	14,423	15,661	9,887	2,430	1,372	1,302	220	450	−1,238	6,654	1,592
2	16,979	17,554	11,268	2,530	1,766	1,262	205	523	−575	7,459	1,627
3	17,449	17,669	11,134	2,600	1,861	1,279	274	521	−220	7,347	1,646

[1] Net of receipts from the EEC.
[2] On a balance of payments basis.
[3] Equal to the current balance in the balance of payments accounts.
[4] Previously published figures have been revised back to 1976 by the Department of Trade in the light of later information on balance of payments adjustments. Revisions for earlier periods are not yet available.

Summary capital account

TABLE 13

Receipts

£ million

		Saving[1]					Capital transfers (net)				
	Total	Total	Personal sector	Companies	Public corporations	General government	Personal sector	Companies	Public corporations[2]	General government[2]	Residual error
1973	17,751	16,813	5,628	7,989	1,267	1,929	−325	218	153	−105	997
1974	20,856	19,535	8,598	8,215	1,400	1,322	−324	139	215	−105	1,396
1975	22,976	22,088	11,003	8,957	1,681	447	−305	339	280	−314	888
1976	29,582	28,571	12,617	13,069	2,864	21	−57	261	368	−572	1,011
1977	32,367	31,760	13,616	13,846	3,330	968	82	150	396	−628	607
1978	35,709	34,956	17,214	15,232	3,692	−1,182	287	287	505	−1,079	753
Unadjusted											
1977 *1*	8,041	8,450	3,763	3,396	896	395	41	28	146	−215	−409
2	7,373	7,892	3,490	3,430	836	136	1	67	90	−158	−519
3	8,170	7,619	3,339	3,431	473	376	26	35	70	−131	551
4	8,783	7,799	3,024	3,589	1,125	61	14	20	90	−124	984
1978 *1*	7,947	7,709	4,047	2,907	820	−65	73	164	163	−400	238
2	8,705	9,070	4,693	3,802	930	−355	60	52	88	−200	−365
3	9,065	8,897	4,606	4,218	649	−576	68	44	131	−243	168
4	9,992	9,280	3,868	4,305	1,293	−186	86	27	123	−236	712
1979 *1*	9,129	10,360	5,488	3,974	954	−56	29	−11	129	−147	−1,231
2	9,339	10,381	5,028	4,761	888	−296	50	75	113	−238	−1,042
3	10,756	11,151	5,587	4,886	714	−36	23	60	131	−214	−395
Seasonally adjusted											
1977 *1*	8,140	8,148	3,371	3,671	913	193	35	48	104	−187	−8
2	7,703	7,817	3,015	3,508	758	536	20	58	119	−197	−114
3	8,172	7,862	3,180	3,519	835	328	31	21	83	−135	310
4	8,352	7,933	4,050	3,148	824	−89	−4	23	90	−109	419
1978 *1*	8,050	7,410	3,485	3,238	822	−135	65	191	114	−370	640
2	8,998	8,985	4,243	3,875	915	−48	83	38	110	−231	13
3	9,080	9,184	4,556	4,330	996	−698	74	28	156	−258	−104
4	9,581	9,377	4,930	3,789	959	−301	65	30	125	−220	204
1979 *1*	9,175	10,016	4,942	4,337	987	−250	25	35	89	−149	−841
2	9,785	10,110	4,292	4,887	840	91	71	52	135	−258	−325
3	10,750	11,751	5,788	4,837	1,045	81	26	34	148	−208	−1,001

[1] Before providing for depreciation, stock appreciation, and additions to reserves.
[2] Excluding financial transactions on the writing-off of debt.

Summary capital account

TABLE 13 (*continued*)

Payments

£ million

	Gross capital formation[1]					Balance: net investment abroad[2]	Net acquisition of financial assets[3]			
	Total	Total	Personal sector	Companies	Public corporations	General government		Personal sector	Companies	Public corporations	General government
1973	17,751	18,685	2,998	9,785	2,194	3,708	−934	2,305	−1,578	−774	−1,884
1974	20,856	24,238	3,158	13,527	3,103	4,450	−3,382	5,116	−5,173	−1,488	−3,233
1975	22,976	24,597	3,645	10,976	4,911	5,065	−1,621	7,053	−1,680	−2,950	−4,932
1976	29,582	30,734	4,604	15,262	5,386	5,482	−1,152	7,956	−1,932	−2,154	−6,033
1977	32,367	32,569	5,508	17,189	4,936	4,936	−202	8,190	−3,193	−1,210	−4,596
1978	35,709	34,995	6,494	18,688	5,290	4,523	714	11,007	−3,169	−1,093	−6,784
Unadjusted											
1977 *1*	8,041	8,715	1,325	4,544	1,280	1,566	−674	2,479	−1,120	−238	−1,386
2	7,373	7,846	1,403	4,272	1,143	1,028	−473	2,088	−775	−217	−1,050
3	8,170	7,655	1,282	3,930	1,276	1,167	515	2,083	−464	−733	−922
4	8,783	8,353	1,498	4,443	1,237	1,175	430	1,540	−834	−22	−1,238
1978 *1*	7,947	8,404	1,407	4,411	1,174	1,412	−457	2,713	−1,340	−191	−1,877
2	8,705	8,445	1,669	4,527	1,319	930	260	3,084	−673	−301	−1,485
3	9,065	8,683	1,633	4,563	1,372	1,115	382	3,041	−301	−592	−1,934
4	9,992	9,463	1,785	5,187	1,425	1,066	529	2,169	−855	−9	−1,488
1979 *1*	9,129	10,514	1,615	5,831	1,581	1,487	−1,385	3,902	−1,868	−498	−1,690
2	9,339	9,869	1,884	5,777	1,180	1,028	−530	3,194	−941	−179	−1,562
3	10,756	10,921	1,864	6,192	1,520	1,345	−165	3,746	−1,246	−675	−1,595
Seasonally adjusted											
1977 *1*	8,140	8,680	1,374	4,636	1,372	1,298	−540	2,032	−917	−355	−1,292
2	7,703	8,135	1,343	4,444	1,147	1,201	−432	1,692	−878	−270	−862
3	8,172	7,809	1,343	3,966	1,259	1,241	363	1,868	−426	−341	−1,048
4	8,352	7,945	1,448	4,143	1,158	1,196	407	2,598	−972	−244	−1,394
1978 *1*	8,050	8,342	1,470	4,439	1,259	1,174	−292	2,080	−1,010	−323	−1,679
2	8,998	8,779	1,589	4,716	1,368	1,106	219	2,737	−803	−343	−1,385
3	9,080	8,839	1,719	4,626	1,309	1,185	241	2,911	−268	−157	−2,141
4	9,581	9,035	1,716	4,907	1,354	1,058	546	3,279	−1,088	−270	−1,579
1979 *1*	9,175	10,413	1,676	5,954	1,612	1,171	−1,238	3,291	−1,582	−536	−1,570
2	9,785	10,360	1,800	6,113	1,211	1,236	−575	2,563	−1,174	−236	−1,403
3	10,750	10,970	1,960	6,112	1,484	1,414	−220	3,854	−1,241	−291	−1,541

[1] Gross fixed capital formation *plus* the increase in book value of stocks and work in progress.
[2] Equals, apart from the change in sign, the net acquisition of financial assets by the overseas sector.
[3] This balance is equal to saving *plus* capital transfers *less* gross capital formation.

Gross domestic fixed capital formation by sector and by type of asset

TABLE 14

£ million

	Total	Private sector[1]	General government[1]	Public corporations[1]	Vehicles, ships and aircraft	Plant and machinery	Dwellings		Other new building and works[2]
							Private	Public	
At current prices									
1973	14,207	8,473	3,661	2,073	1,655	4,843	1,666	1,020	5,023
1974	16,926	9,697	4,376	2,853	1,839	5,725	1,706	1,481	6,175
1975	20,545	11,545	4,974	4,026	2,023	6,863	2,182	1,964	7,513
1976	23,602	13,550	5,396	4,656	2,389	8,206	2,411	2,310	8,286
1977	25,913	16,419	4,801	4,693	3,097	9,797	2,443	2,299	8,277
1978	29,218	19,940	4,386	4,892	3,656	11,234	3,073	2,162	9,093
Unadjusted									
1977 *1*	6,227	3,434	1,541	1,252	723	2,352	486	646	2,020
2	6,073	4,018	1,004	1,051	766	2,197	586	513	2,011
3	6,455	4,189	1,110	1,156	780	2,471	639	553	2,012
4	7,158	4,778	1,146	1,234	828	2,777	732	587	2,234
1978 *1*	7,234	4,598	1,382	1,254	990	2,714	756	590	2,184
2	6,949	4,913	903	1,133	944	2,615	750	463	2,177
3	7,206	4,937	1,068	1,201	880	2,768	731	570	2,257
4	7,829	5,492	1,033	1,304	842	3,137	836	539	2,475
1979 *1*	7,625	4,757	1,459	1,409	975	2,995	666	601	2,388
2	7,309	5,181	983	1,145	1,094	2,751	754	476	2,234
3	8,110	5,453	1,308	1,349	923	3,110	749	599	2,729
Revalued at 1975 prices									
1973	21,111	12,226	5,757	3,128	2,412	6,754	2,449	1,703	7,793
1974	20,636	11,715	5,365	3,556	2,326	7,060	2,004	1,822	7,424
1975	20,545	11,545	4,974	4,026	2,023	6,863	2,182	1,964	7,513
1976	20,623	11,832	4,795	3,996	2,011	6,860	2,177	2,083	7,492
1977	20,187	12,601	3,970	3,616	2,132	7,151	2,021	1,932	6,951
1978	20,485	13,687	3,370	3,428	2,103	7,471	2,256	1,702	6,953
Unadjusted									
1977 *1*	5,046	2,754	1,297	995	546	1,782	419	554	1,745
2	4,823	3,155	844	824	548	1,620	495	436	1,724
3	4,970	3,181	911	878	523	1,782	525	463	1,677
4	5,348	3,511	918	919	515	1,967	582	479	1,805
1978 *1*	5,273	3,272	1,091	910	593	1,869	587	480	1,744
2	4,940	3,432	703	805	550	1,749	566	372	1,703
3	5,010	3,358	814	838	494	1,827	529	447	1,713
4	5,262	3,625	762	875	466	2,026	574	403	1,793
1979 *1*	4,975	3,043	1,024	908	538	1,894	439	436	1,668
2	4,580	3,198	665	717	580	1,717	480	333	1,470
3	4,918	3,247	853	818	475	1,913	449	405	1,676
Seasonally adjusted									
1977 *1*	4,921	2,949	1,072	900	516	1,714	428	509	1,754
2	5,099	3,200	990	909	562	1,747	505	475	1,810
3	5,019	3,117	973	929	555	1,831	536	479	1,618
4	5,148	3,335	935	878	499	1,859	552	469	1,769
1978 *1*	5,166	3,428	905	833	565	1,827	603	439	1,732
2	5,205	3,466	841	898	574	1,880	575	405	1,771
3	5,054	3,333	868	853	502	1,869	536	465	1,682
4	5,060	3,460	756	844	462	1,895	542	393	1,768
1979 *1*	4,873	3,211	815	847	518	1,858	451	396	1,650
2	4,884	3,282	808	794	591	1,851	488	375	1,579
3	4,955	3,220	903	832	493	1,961	454	407	1,640

[1] Including purchases *less* sales of land and existing buildings.
[2] Including transfer costs of land and buildings.

Gross domestic fixed capital formation by industry group

TABLE 15

£ million

		Total	Petroleum and natural gas	Other mining and quarrying	Manufacturing[1]	Gas, electricity and water	Transport and communication	Distributive trades[1]	Other industries[2]	Dwellings	Public services	Transfer costs of land and buildings
At current prices												
1973		14,207	203	105	2,347	771	1,884	811	2,490	2,686	2,345	565
1974		16,926	604	139	3,067	952	1,993	976	2,988	3,187	2,525	495
1975		20,545	1,348	201	3,522	1,242	2,337	1,034	3,095	4,146	2,995	625
1976		23,602	2,083	289	3,955	1,400	2,382	1,133	3,568	4,721	3,371	700
1977		25,913	2,150	362	4,974	1,312	2,759	1,535	4,331	4,742	2,958	790
1978		29,218	2,221	533	5,841	1,415	2,821	1,741	5,294	5,235	3,096	1,021
1977	*1*	6,227	308	96	1,132	390	693	332	1,023	1,132	960	161
	2	6,073	716	71	1,126	274	652	359	996	1,099	596	184
	3	6,455	540	95	1,261	329	667	400	1,060	1,192	695	216
	4	7,158	586	100	1,455	319	747	444	1,252	1,319	707	229
1978	*1*	7,234	455	150	1,351	361	756	397	1,274	1,346	917	227
	2	6,949	640	106	1,363	315	714	421	1,279	1,213	651	247
	3	7,206	563	132	1,460	361	698	423	1,255	1,301	745	268
	4	7,829	563	145	1,667	378	653	500	1,486	1,375	783	279
1979	*1*	7,625	424	170	1,479	415	693	467	1,419	1,267	1,031	260
	2	7,309	422	123	1,453	348	711	488	1,580	1,230	670	284
	3	8,110	595	158	1,594	412	682	577	1,483	1,348	885	376
Revalued at 1975 prices												
1973		21,111	309	148	3,440	1,188	2,677	1,154	3,672	4,152	3,733	638
1974		20,636	707	173	3,782	1,196	2,438	1,191	3,597	3,826	3,209	517
1975		20,545	1,348	201	3,522	1,242	2,337	1,034	3,095	4,146	2,995	625
1976		20,623	1,857	248	3,341	1,205	2,008	990	3,128	4,260	2,953	633
1977		20,187	1,731	272	3,637	1,015	2,024	1,161	3,324	3,953	2,409	661
1978		20,485	1,626	360	3,853	995	1,799	1,194	3,663	3,958	2,310	727
Unadjusted												
1977	*1*	5,046	256	76	870	311	535	265	821	973	799	140
	2	4,823	596	55	837	216	491	278	769	931	490	160
	3	4,970	425	70	909	253	482	300	802	988	563	178
	4	5,348	454	71	1,021	235	516	318	932	1,061	557	183
1978	*1*	5,273	344	106	924	262	492	280	911	1,067	711	176
	2	4,940	482	72	907	225	460	292	886	938	491	187
	3	5,010	406	87	957	253	438	288	869	976	550	186
	4	5,262	394	95	1,065	255	409	334	997	977	558	178
1979	*1*	4,975	289	107	920	274	418	302	921	875	706	163
	2	4,580	275	77	874	221	410	305	998	813	440	167
	3	4,918	366	94	935	252	390	350	936	854	558	183
Seasonally adjusted												
1977	*1*	4,921	346	64	876	270	511	273	813	937	677	154
	2	5,099	487	64	898	254	526	285	799	980	646	160
	3	5,019	422	71	920	255	515	306	836	1,015	510	169
	4	5,148	476	73	943	236	472	297	876	1,021	576	178
1978	*1*	5,166	445	89	945	226	472	289	912	1,042	555	191
	2	5,205	389	84	970	263	496	301	921	980	615	186
	3	5,054	389	90	966	250	446	294	900	1,001	541	177
	4	5,060	403	97	972	256	385	310	930	935	599	173
1979	*1*	4,873	339	88	952	245	405	311	921	847	588	177
	2	4,884	285	90	928	257	433	315	1,047	863	499	167
	3	4,955	351	98	940	245	410	359	972	861	545	174

[1] Further details are given in the *Monthly Digest of Statistics*.
[2] Covers agriculture, forestry, fishing, construction and other service industries.

Value of physical increase in stocks and work in progress

TABLE 16

£ million

	At current prices					Revalued at 1975 prices				
			Distributive trades					Distributive trades		
	All industries	Manufacturing	Retail	Wholesale	Other industries	All industries	Manufacturing[1]	Retail	Wholesale	Other industries
Book values end-December 1978	*55,075*	*30,741*	*5,680*	*7,185*	*11,469*	*37,261*	*20,084*	*3,825*	*4,671*	*8,681*
1973	1,504	676	261	312	255	3,043	1,170	633	432	808
1974	1,255	1,104	−152	323	−20	1,655	1,281	−185	361	198
1975	−1,477	−1,120	−106	−247	− 4	−1,477	−1,120	−106	−247	− 4
1976	642	476	261	182	−277	436	351	219	131	−265
1977	1,669	674	59	621	315	1,217	509	48	412	248
1978	1,528	769	531	− 57	285	1,129	547	364	− 15	233
Unadjusted										
1977 *1*	518	405	109	155	−151	364	309	86	76	−107
2	625	253	− 28	258	142	488	198	− 21	195	116
3	79	−185	− 54	97	221	49	−136	− 40	58	167
4	447	201	32	111	103	316	138	23	83	72
1978 *1*	349	224	45	8	72	297	183	32	12	70
2	335	174	148	−146	159	261	132	103	− 92	118
3	487	17	111	174	185	349	9	76	121	143
4	357	354	227	− 93	−131	222	223	153	− 56	− 98
1979 *1*	847	188	81	29	549	617	127	53	37	400
2	435	212	22	187	14	245	144	14	113	− 26
3	466	26	154	74	212	242	9	96	28	109

£ million, 1975 prices

		Manufacturing[1,2]				Distributive trades		
	All industries	Total	Materials and fuel	Work in progress	Finished goods	Retail	Wholesale	Other industries
1973	3,043	1,170	829	378	− 37	633	432	808
1974	1,655	1,281	470	295	516	−185	361	198
1975	−1,477	−1,120	−922	−212	14	−106	−247	− 4
1976	436	351	− 86	265	172	219	131	−265
1977	1,217	509	17	215	277	48	412	248
1978	1,129	547	2	436	109	364	− 15	233
Seasonally adjusted								
1977 *1*	482	251	92	136	23	109	103	19
2	440	199	− 11	20	190	16	236	− 11
3	23	4	− 19	− 23	46	− 43	− 40	102
4	272	55	− 45	82	18	− 34	113	138
1978 *1*	390	112	6	63	43	45	34	199
2	229	137	− 13	76	74	145	− 48	− 5
3	346	169	4	125	40	78	21	78
4	164	129	5	172	− 48	96	− 22	− 39
1979 *1*	729	53	− 29	− 16	98	61	81	534
2	222	149	106	89	− 46	64	158	−149
3	254	185	48	1	137	96	− 74	47

[1] Further details are given in the *Monthly Digest of Statistics.*

[2] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

The effects of taxes and benefits on household income, 1978

Introduction

Articles on the impact of taxes and social security benefits have been published in *Economic Trends* annually since the early sixties. Their general purpose has been to show how taxation and public expenditure on social services, cash benefits and consumer subsidies affect the observed distribution of income between different types of households. The present article continues the series with estimates for 1978.

The article consists of a commentary and two appendices' The first part of the commentary seeks to describe redistribution for the latest year for which data from the Family Expenditure Survey (FES) are available, in this case 1978. The second part analyses movements in redistribution for the years 1973 to 1978. The first appendix describes various aspects of methodology, such as the FES, the income concepts, definitions of various types of households, and the method of imputing the benefits which individual households derive from certain parts of public expenditure. Appendix 2 gives the detailed tables, summaries of which are used in the commentary to highlight significant changes.

I. RESULTS FOR 1978

To be able to interpret the results, a brief explanation of the stages of redistribution is essential. The starting point is *original income,* i.e. income before the effects of taxation or state benefits, or pre-tax, pre-benefit income. The first step is to modify original income by adding direct cash payments such as unemployment benefit paid to households and by deducting direct taxes. The result is *disposable income,* i.e. the income available for spending. Finally, we estimate the redistributive effects on disposable income of indirect taxes, subsidies and direct benefits in kind, such as health and education services, to arrive at '*final income*'.

The nature and level of redistribution can be gauged from a comparison between original income, disposable income and final income for each decile group, i.e. each one-tenth of the household population, as shown in Table A. It is clear from this table, in which households are ranked by original income, that, as a result of the tax-benefit-subsidy system, income is redistributed from households with high incomes to those with low. This pattern is the net effect of, on the one hand, a decline in average cash benefits and subsidies as original incomes rise, and, on the other hand, an increase in average taxes, both direct and indirect, with increases in original income. However, unlike cash benefits, direct benefits in kind tend to rise with original incomes. This is a consequence of the correlation between size of original income and household size, by which the amount of benefit in kind varies.

To illustrate, Table A shows that as a result of cash benefits the average original income of the bottom 20 per cent of households increased from £240 to £1,710. This marked redistribution is due to the fact that most cash benefits are designed to support people during periods when they are not earning, i.e. when their average original income is low. About 60 per cent of cash benefits are state pensions, mainly retirement pensions, and about three-

Summary of results for all households, 1978

By decile groups of original income

TABLE A

	Decile groups										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	All households
Number of households in sample	700	700	700	700	700	700	700	700	700	701	7,001
Average											
Number of workers per household	0·1	0·2	0·7	1·1	1·4	1·6	1·8	1·9	2·2	2·6	1·4
Number of persons per household	1·7	1·7	2·1	2·4	2·9	3·1	3·2	3·2	3·3	3·7	2·7
Number of adults per household ..	1·4	1·5	1·7	1·8	2·0	2·1	2·2	2·3	2·5	2·9	2·0
Number of children per household	0·4	0·2	0·4	0·6	0·9	1·0	1·0	0·9	0·8	0·7	0·7
Number of persons per worker ..	17·0	7·4	3·1	2·2	2·1	2·0	1·8	1·6	1·5	1·4	2·0
£ per household per year[1]											
Average											
Original income	20	460	1,560	2,960	4,050	4,990	5,900	7,010	8,510	12,770	4,830
plus Cash benefits	1,560	1,390	1,180	600	470	390	320	280	270	240	670
less Direct taxes	..	10	150	420	720	900	1,140	1,370	1,800	2,960	950
Disposable Income	1,580	1,830	2,600	3,150	3,800	4,470	5,090	5,920	6,980	10,050	4,550
plus Subsidies	250	160	130	120	120	100	90	80	80	80	120
less Indirect taxes	320	370	580	710	830	960	1,060	1,220	1,390	1,780	920
plus Direct benefits in kind ..	510	450	550	540	660	730	750	750	770	870	660
Final income	2,020	2,080	2,700	3,100	3,750	4,340	4,860	5,530	6,450	9,220	4,410

[1] Rounded to the nearest £10.

quarters of all households in the bottom 20 per cent of the income distribution are retired. Indeed, over 30 per cent of cash benefits go to this group of retired households.

Direct taxation is made up of employees' (and self-employed persons') national insurance contributions and income tax. Original income plus some of the cash benefits, mainly pensions, is broadly the basis on which tax liability is assessed. Not surprisingly, better-off households pay a substantially higher proportion of their income in tax. For example, in 1978 20 per cent of original income of the top 10 per cent of households was paid in income tax. However, tax payments are determined not only by size of original incomes but also by tax reliefs such as those on mortgage interest and life insurance premiums. The tax figures in this article are shown net of these reliefs because of the nature of the available data. (The alternative of showing a notional tax liability before reliefs might be of some interest but it would not alter the overall redistributive effect of taxes.)

Disposable income, which is effectively the income people have available for spending, reflects the net 'gains' and 'losses' of direct taxes and cash benefits and is much more evenly distributed than original income. The lowest fifth of households received 8 per cent of total disposable income compared with 1 per cent of original income, and the top fifth received 37 per cent of disposable income and 44 per cent of original income.

Indirect taxes are taxes on expenditure, such as VAT, excise duties and local authority rates. Subsidies are payments by the government to reduce market prices. Thus, the benefit a household receives from subsidies and the amount of indirect taxes it pays depends on how it spends its income. Indirect tax payments are larger for higher income households than for lower income households, reflecting the higher expenditure of the former and the fact that most indirect taxes are roughly proportional to expenditure. However, indirect taxes represent a lower proportion of the disposable income of higher income households than of those with lower incomes, being 18 per cent of disposable income in the highest decile group and 20 per cent in the lowest decile group of households. This is because higher income households spend a lower proportion of their income – they save more. At the same time the measured impact on the lowest income groups is overstated for two reasons. First, some recipients of supplementary benefit get an increased allowance and pay their rates in full instead of receiving their entitled rebate; secondly, some student households are largely dependent on maintenance grants, which are included in education benefits rather than disposable income, and so they are shown as being in the lowest decile groups of income although their expenditure from their grants gives them a relatively high level of indirect taxes.

The subsidies that it is practicable to allocate are in value mainly housing subsidies. These are shown to be higher for households in the lower decile groups, particularly the lowest, both because there are more households living in local authority housing in these income groups than in other groups and because those with low incomes receive rent rebates (which are part of housing subsidies).

Apart from cash benefits and subsidies, the other categories of government expenditure which are allocated to households are current expenditure on health, on education and on welfare foods, collectively described in this article as benefits in kind. The distribution of these benefits depends far more directly on the size and composition of recipient households than on their income. Thus, retired households generally receive higher benefits from health expenditure than non-retired households of the same size because of the greater cost of elderly people to the health service; and households with children of school age tend to receive more from education expenditure than households without such children. Generally, the larger the household the greater are the benefits in kind allocated to it. As Table A shows, the number of persons per household increases with income and, over the first seven decile groups, so does the number of children per household. As an indirect consequence, benefits in kind increase markedly with income.

The effect of these indirect taxes, subsidies and benefits in kind is to lessen the inequality of household income a little further, the bottom quintile group receiving 9 per cent of total final income and the top quintile group 36 per cent, compared with 8 per cent and 37 per cent of disposable income. Table B shows these changes in shares in greater detail.

Percentage shares of total household incomes by quantile groups of households, 1978

Quantile groups of households ranked by original income

TABLE B

	Percentages		
Quantile group	Original income	Disposable income	Final income
Top 20 per cent	44	37	36
21–40 per cent	27	24	24
41–60 per cent	19	18	18
61–80 per cent	9	13	13
81–100 per cent	1	8	9
Total	100	100	100
Top 10 per cent	27	22	21
Lowest 10 per cent	—	4	5

The interpretation of these results should take account of three very important qualifications. First, because of conceptual difficulties and lack of data, a large amount of government expenditure and revenue is not allocated to households. For example, there is no non-arbitrary way of dividing the benefits of government expenditure on defence to households of different types and different levels of income. In 1978 about £33 thousand million, or nearly one-half of total expenditure and about £42 thousand million, or nearly three-fifths of total receipts were allocated. The consequences of this imbalance are that households are collectively shown in the tables as paying more in taxes than they receive in benefits and that greater significance should be attached to the broad pattern of redistribution than to the precise figures of 'gains' and 'losses', particularly in the middle of the distribution of final income.

Quintile groups of all households analysed by household composition types, 1978

All households ranked by original income

TABLE C

Quintile groups	Percentages				
	1 and 2 adults retired	1 and 2 adults non-retired	2 adults 1–4 children	Others	All households
Top 20 per cent ..	1	28	24	47	100
21–40 per cent ..	1	36	38	25	100
41–60 per cent ..	4	38	43	15	100
61–80 per cent ..	27	41	19	13	100
81–100 per cent ..	75	11	4	10	100
All households ..	21	31	26	22	100

Secondly, the allocations show only the initial impact of taxes and benefits on household income. It is not practicable in this article to measure indirect and lagged effects, such as incentive effects of changes in taxation on output or the productivity effects of 'human investment' in education.

The third qualification is that the absolute size of benefits is more meaningful when related to the size and composition, and hence, by implication, the varying needs of households. To illustrate, Table A shows that the lowest quintile group of households contains 13 per cent of individuals and the highest quintile group 26 per cent, so that the distribution of final income would appear even less unequal on a per capita basis than on a household basis. However, even a per capita basis would not be adequate because it treats all individuals as homogeneous units when in fact children, disabled individuals and the elderly have different needs from the average individual of working age. It is not feasible to allow for these complex differences in household characteristics and needs in this article but some indication of their importance can be obtained from Table C.

From the table, it is clear that three-quarters of the households in the bottom quintile group are retired, which accounts for the large proportion of pensions which goes to this group. However, the needs of pensioners would not be identical to those of households with children, which predominate the third quintile group.

II. RESULTS FOR THE YEARS 1973 TO 1978

Summary

This part of the commentary covers the more significant trends in redistribution between 1973 and 1978. The chief observation, which is elaborated below, is that, despite significant changes in government expenditure and fiscal policies, the relative distribution of household final income remained broadly the same between 1973 and 1978. However, without the tax-benefit-subsidy system, the distribution of income and of welfare in the United Kingdom, in any one year, would have been much more unequal than it was. The supporting figures are given in Table D.

As Table D shows, the percentage shares of final income received by the top 20 per cent of households varied within a narrow range in the period, between 35 and 37 per cent. The corresponding variation for the bottom quintile group was between 8 and 9 per cent. However, the pre-tax, pre-benefit share of the top quintile group was 43 to 44 per cent and of the bottom group only 1 per cent. Thus, redistribution reduced the share of income of the top 20 per cent of households by between 7 and 9 per cent in the period and it increased the share of the bottom quintile group by between 7 and 8 per cent.

Percentage distribution of original and final income, 1973-1978

Households ranked by original income

TABLE D

	Percentages					
	Original income					
	1973	1974	1975	1976	1977	1978
Quintile group						
Top 20 per cent ..	44	44	43	44	44	44
21–40 per cent ..	26	26	26	26	27	27
41–60 per cent ..	19	19	19	19	19	19
61–80 per cent ..	11	11	10	10	10	9
81–100 per cent ..	1	1	1	1	1	1
Total original income ..	100	100	100	100	100	100
	Final income					
Quintile group						
Top 20 per cent ..	37	36	35	35	35	36
21–40 per cent ..	24	24	24	23	23	24
41–60 per cent ..	18	18	19	18	18	18
61–80 per cent ..	13	13	14	14	14	13
81–100 per cent ..	8	8	9	9	9	9
Total final income ..	100	100	100	100	100	100

The stable pattern of final income is largely explained by two factors. First, as Table D shows, the starting point i.e. the percentage distribution of original income, was itself remarkably stable throughout the period 1973 to 1978. (Strictly, the more fundamental explanation lies in the share of original income in final income; if that share is small, as it is for the bottom quintile group of households, even large percentage changes in it would not materially affect the share of final income; and vice versa.) The second factor is that annual changes in the redistributive components often offset one another, e.g. between 1973 and 1975 nearly half the increase in direct taxes for the top quintile group was offset by increases in the various benefits they received. The changes in individual components are discussed in detail below. But, before that discussion, these two factors are illustrated by a more detailed consideration of two of the more noticeable changes in Table D.

The first is the fall from 37 per cent in 1973 to 35 per cent in 1975 in the share of final income which went to the top quintile group of households. This reduction was due partly to the fall in their share of original income from 44 to 43 per cent and partly to the simultaneous increase in the average direct taxes paid by the group. These changes were sufficiently large to swamp changes in the opposite direction; for example, the increase in the share of subsidies received by the group.

The second is the fall from 11 per cent to 9 per cent in the share of original income received by the second lowest quintile group of households, without a corresponding reduction in its share of final income. The share of original income fell because the number of retired households in the population increased and because some of this increase appeared in the second lowest quintile group, rather than being confined to the lowest quintile group where retired households predominate. As retired households generally have very small incomes, their greater numbers in the second lowest quintile group led to a reduction in its share of original income. However, their greater numbers also led to offsetting changes; the share of subsidies rose, the share of direct taxes fell, and, more important, the share of cash benefits increased. Since, even compared with original income, cash benefits form a relatively large part of final income of this quintile group, the share in final income did not fall in line with the share of original income.

Changes in individual components

Total government expenditure 1973–78

The broad changes in total government expenditure are given in Table E.

Growth of gross domestic product and government expenditure, 1973-1978

TABLE E

	Index numbers (1973 =100) and percentage changes over previous year (in brackets)					
	1973	1974	1975	1976	1977	1978
Gross domestic product (at current market prices)	100	113 (+13)	143 (+26)	169 (+19)	195 (+15)	222 (+14)
General government expenditure and financing	100	128 (+28)	169 (+32)	191 (+13)	202 (+6)	234 (+16)
Government expenditure						
Transfer payments	100	135	175	195	205	254
Govt final consumption	100	124	173	200	219	245
Capital investment	100	120	137	148	133	122

In 1978 the combined expenditure of local and central government, that is general government expenditure, amounted to £71 thousand million. Besides expenditure on goods and services this figure comprised both current and capital transfer payments, capital investment and non-trading capital consumption. It was financed by receipts of £23 thousand million from direct taxes on persons, by £23 thousand million from indirect taxes falling on expenditure and by £25 thousand million from other sources such as corporation tax and borrowing (see Appendix 2, Tables 1 and 2). Households both contribute to and benefit from this expenditure. They pay taxes directly in the form of income tax and national insurance contributions, and indirectly through local rates and the taxes levied on the goods and services they buy. They benefit from government spending on social services including state education, the National Health Service, and housing and rail travel subsidies, as well as payments in cash.

Table E shows that government expenditure and revenue at current prices rose throughout the period, largely because of inflation. However when allowance is made for the effects of inflation, the pattern of growth from year to year has been rather uneven, as is clear from comparing the growth of government expenditure with that of gross domestic product (GDP).

Allocated and unallocated expenditure

Variations in the parts of government transfers allocated to households are given in Table F.

Shares in government transfer payments, 1973-1978

TABLE F

	Percentages					
	1973	1974	1975	1976	1977	1978
Allocated transfers						
Cash benefits	39	36	36	41	46	45
Subsidies	5	8	9	9	8	7
Education scholarships and grants	5	4	4	5	5	5
	49	49	50	55	59	56
Unallocated transfers	51	51	50	45	41	44
All government transfers	100	100	100	100	100	100

The transfer payments allocated are total cash benefits, some subsidies to households, and education grants and scholarships. Cash benefits, which are by far the largest single category have, in absolute terms, grown steadily throughout the period. However, as Table F shows, the fluctuations in the share of cash benefits in total transfers, a fall from 39 per cent in 1973 to 36 per cent in 1974 and a rise to 45 per cent in 1978, are due to changes in the other components of transfers. With the expansion of subsidies on housing and rail travel and with the introduction of consumer food subsidies, subsidies grew very rapidly in 1974 and 1975. This caused their share in total transfers almost to double, from 5 to 8 per cent. Over the following three years, 1976 to 1978, their value at current prices changed little, with the gradual phasing out of food subsidies offsetting the continued growth of housing subsidies. Rail travel subsidies remained fairly stable over these three years. Thus the share of subsidies in the total government transfers declined from its peak in 1975 of 9 per cent to 7 per cent in 1978*.

* A detailed account of subsidy changes during this period is contained in, 'The redistributive effect of subsidies on households', Stephenson and Harris, *Economic Trends* No 289 November 1977.

The specific government expenditures which are allocated to households in this study and which in the national accounts are treated as part of government final consumption are those on the National Health Service, education and welfare foods (including school meals). As Table G shows, together these allocated items increased as a proportion of government final consumption between 1973 and 1975 and then remained unchanged up to 1978. This increase was due largely to the slightly higher rate of growth of health expenditure.

Shares in government final consumption, 1973-1978

TABLE G

	Percentages					
	1973	1974	1975	1976	1977	1978
Allocated expenditure						
Health	20	21	21	21	22	22
Education (excluding grants and scholarships to students)	20	19	21	20	20	20
Welfare foods	1	2	2	2	1	1
	41	42	44	43	43	43
Unallocated expenditure	59	58	56	57	57	57
Government final consumption	100	100	100	100	100	100

Allocated revenue and unallocated revenue

The growth of total government revenue during the period 1973–1978 exactly matched that of government expenditure, which is shown in Table E and discussed above. The parts of total government revenue which are allocated to individual households in this article are direct taxes, namely income tax and employees' (and self-employed) national insurance contributions, and indirect taxes on consumers expenditure, such as VAT, a full description of which is given in Appendix 1.

Shares in general government financing, 1973-1978

TABLE H

	Percentages					
	1973	1974	1975	1976	1977	1978
Allocated revenue						
Direct taxes on households	31	31	33	34	34	32
Indirect taxes on households	30	26	25	26	29	28
Unallocated revenue						
Borrowing	12	14	19	14	8	13
Other receipts	28	29	23	26	29	28
Total financing	100	100	100	100	100	100

Although the pattern of government financing in 1978 was little changed from 1973, apart from a slight shift from indirect taxation to direct taxation, there were, as Table H shows, some significant movements during that period. Between 1973 and 1975, there was an appreciable shift from indirect taxation to income tax and borrowing, the share of government financing borne by indirect taxation on households falling from 30 per cent to 25 per cent. In 1976, the share of borrowing fell from 19 per cent to 14 per cent, with rising shares for each of the other forms of financing. In 1977 the share of borrowing fell further to 8 per cent with a complementary increase in the share of indirect taxes; the share of direct taxes remained almost unchanged. This trend was reversed in 1978, when the share of direct taxes fell and that of borrowing increased.

Distribution of household types

In Table J and subsequent similar tables in the text of this section of the article slight adjustments have been made for the random variation in the proportion of different types of households revealed by the sample. The proportions used to modify the distributions of income, benefits and taxes for each household type are shown in Table I.

Percentage distribution of household types, 1973-1978, adjusted for sample variation

TABLE I

	1973	1974	1975	1976	1977	1978
Household type						
1–2 adults retired	19½	20	20½	21	21½	22
1–2 adults non-retired	30½	30½	30½	30½	30½	30½
2 adults, 1–4 children	28	27½	27	26½	26	25½
Others	22	22	22	22	22	22
All households	100	100	100	100	100	100

Original income

In the period 1973 to 1978, the average original income of households rose from £2,300 to £4,800 per annum, an increase of 109 per cent. This is slightly lower than the corresponding growth of such income in the household sector as a whole, 116 per cent, perhaps because of a slight reduction in the average size of households from 2·8 persons per household to 2·7 and therefore a slight increase in the number of households. The general index of retail prices rose by 111 per cent in this period.

Table J shows how original income was distributed between different types of household and groups at different levels in the income distribution. The most noticeable features are the rise in the proportion of total original income received by 1 and 2 adult non-retired households and the fall in the proportion received by households composed of 2 adults and 1–4 children. The fall in the proportion of original income received by households with children is largely explained by the fall in the proportion of these types of household in the sample, shown in Table I. However, although the percentage of retired households grew, the proportion of original income which they received remained static, because the growth was entirely amongst the over seventies, who, in general, have ceased working and are

dependent on state retirement pensions. The fall in the share of original income received by the second lowest quintile group is due to the increase in the percentage of retired households in this group from 16 per cent in 1973 to 27 per cent in 1978. Although the percentage of 1 and 2 adult non-retired households remained the same during the period, their share of original income rose from 31 per cent in 1973 to 33 per cent in 1978. A fuller analysis of the determinants of original income, and in particular its relation to the number of workers in the household, was given in last year's article.†

Percentage of original income by household type and by quintile groups of original income, 1973-1978

TABLE J

	Percentages					
	1973	1974	1975	1976	1977	1978
Household type[1]						
1–2 adults retired	4	3	4	4	4	4
1–2 adults non-retired	31	32	32	32	32	33
2 adults 1–4 children	33	33	32	31	31	30
Others	32	32	33	33	32	33
All households	100	100	100	100	100	100
Quintile group						
Top 20 per cent	44	44	43	44	44	44
21–40 per cent	26	26	26	26	27	27
41–60 per cent	19	19	19	19	19	19
61–80 per cent	11	11	10	10	10	9
81–100 per cent	1	1	1	1	1	1
All households	100	100	100	100	100	100

[1]Adjusted for sample variation.

For all quintile groups, except the lowest, the weight of original income was much greater than that of the other, redistributive components in final income; and so changes in the shares of original income would have had a preponderant effect on the distribution of the shares of final income. But, in the event, the shares of original income were little changed over the period.

Cash benefits

Cash benefits, which form about half of government transfer payments, increased by 186 per cent between 1973 and 1978. During the same period the general index of retail prices rose by 111 per cent and the pensioner price indices by 120 per cent for one person households and by 118 per cent for two person households. The cash increase per beneficiary was smaller because the number of beneficiaries had increased.

The main change in the system of cash benefits during the period has been the replacement of family allowances by child benefit, which has extended financial support to all children. Child interim benefit was introduced in April 1976 for the first or only child in certain one parent families, and child benefit was introduced for all children in April 1977, replacing family allowances and child interim benefit. A further change was the phased introduction of mobility allowance from January 1976. Table K shows how the different components of cash benefits have shifted with these changes, in particular the introduction of child benefit. Pensions formed a lower proportion of the total in the last two years. The increase in other cash benefits is due partly to the increase in unemployment, affecting both supplementary benefit and unemployment benefit, partly to a rise in the number of one parent families receiving supplementary benefit, and partly to the introduction of mobility allowances.

Percentage of cash benefits by principal types, 1973-1978

TABLE K

	1973	1974	1975	1976	1977	1978
Pensions	67	69	68	67	64	60
Family allowance/ Child benefit	8	7	7	6	8	12
Other cash benefits	25	24	25	27	28	28
Total cash benefits	100	100	100	100	100	100

In Table L we see how these changes have affected the distribution of cash benefits to households of different types and at different income levels. The jump in the rates of pensions relative to other benefits, e.g. supplementary benefit in 1973–74, led to the initial move towards a higher proportion of cash benefits for retired households and thus for those in the lowest quintile groups of the income distribution. The subsequent introduction of child benefit and the increases in other benefits, as explained above, have led to the recent move towards more cash benefits being distributed to households with children (their average cash benefits increased by 40 per cent in 1977 and by 46 per cent in 1978). As most households with children are in the higher parts of the income distribution this benefit increase has been concentrated there. The increase in retired people in the second lowest quintile group, referred to above, partially offset the other effects relative to the income distribution.

As shown in Table M, the outcome of these various movements, *viz* a rise in the real value of benefits, initially in pensions and then in child support and other cash benefits, is a rise in the proportion which cash benefits form of pre-tax income (roughly original income plus cash benefits). The effect is most noticeable in the lowest quintile groups where the rise in the numbers of one-parent families and single pensioners dependent entirely on state benefits is reflected in a rise in the proportion of their income from this source.

Cash benefits had a crucial role in determining the shares of final income for retired households and those in the lowest quintile group, and so changes in these benefits would have had a substantial impact on the shares of final income received by these groups. Cash benefits were also relatively important, even compared with original income, in the final incomes of the second lowest quintile group of

† *Economic Trends* Number 303 January 1979, 'The effects of taxes and benefits on household income, 1977.

households. For the remaining groups the influence of changes in cash benefits on the distribution of shares of final income was limited.

Percentage of cash benefits by household type and by quintile groups of original income, 1973-1978

TABLE L

	1973	1974	1975	1976	1977	1978
Household type[1]						
1–2 adults retired	44	47	48	46	45	44
1–2 adults, non-retired	18	18	18	18	17	15
2 adults, 1–4 children	12	12	11	11	13	16
Others	26	24	23	25	25	25
All households	100	100	100	100	100	100
Quintile groups						
Top 20 per cent	7	7	7	7	8	8
21–40 per cent	9	9	8	8	9	9
41–60 per cent	12	11	11	11	12	13
61–80 per cent	25	25	27	28	27	27
81–100 per cent	47	48	48	46	45	44
All households	100	100	100	100	100	100

[1] Adjusted for sample variation.

Cash benefits as a percentage of original income plus cash benefits by household type and by quintile groups of original income, 1973-1978

TABLE M

	1973	1974	1975	1976	1977	1978
Household type						
1–2 adults retired	56	60	59	61	61	60
1–2 adults non-retired	6	6	6	6	7	6
2 adults 1–4 children	4	4	4	4	5	7
Others	8	8	7	9	9	10
All households	10	10	10	11	12	12
Quintile group						
Top 20 per cent	2	1	2	2	2	2
21–40 per cent	3	4	3	3	4	4
41–60 per cent	6	6	6	7	8	9
61–80 per cent	20	21	22	27	27	28
81–100 per cent	79	81	83	83	86	86

Direct taxes

From 1973 to 1976, the share of direct taxes in revenue grew from a little under 31 per cent to just over 34 per cent. Between 1976 and 1978, the share fell back, to under 32 per cent. The effect of these movements can be seen in Table N, which shows that direct taxes as a percentage of pre-tax income rose from 16 per cent in 1973 to 20 per cent in 1975 and 1976, and then fell back to 17 per cent in 1978. This table also shows that, apart from retired households, who pay comparatively little direct tax, the increases were spread evenly across all household types and income levels. Indeed Table O shows that the proportion of direct taxes paid by different household types was remarkably stable over the period, except for households with children, where there was a slight decline.

This stable pattern was due to the bulk of additional revenue from direct taxes being raised by a combination of fiscal drag, in the sense that allowances were not increased in line with earnings, and of increases in the main rates. For example, between 1974 and 1975 average earnings rose by 27 per cent whilst personal allowances were raised by only 10 per cent in the April 1975 Budget. This disparity also accounts for the rise in the proportion of tax paid by the second lowest quintile group, from 11 to 12 per cent in 1975 shown in Table N. This trend was reversed in 1978, with the introduction of a reduced rate band for those at the lower end of the taxable income distribution. Thus in 1978 the proportion of income paid in tax by those in the lowest two quintile groups fell, although other factors might have played a part.

Direct taxes as a percentage of original income plus cash benefits by household type and by quintile groups of original income, 1973-1978

TABLE N

	Percentages					
	1973	1974	1975	1976	1977	1978
Household type						
1–2 adults retired	8	6	8	7	8	7
1–2 adults non-retired	18	20	23	23	22	20
2 adults 1–4 children	15	17	20	19	19	17
Others	16	17	20	20	19	18
All households	16	17	20	20	19	17
Quintile group						
Top 20 per cent	19	21	25	24	23	22
21–40 per cent	16	18	21	22	20	19
41–60 per cent	15	16	19	19	18	16
61–80 per cent	11	11	12	11	11	9
81–100 per cent	1	1	1	1	1	—

Percentage distribution of direct taxes by household type and by quintile groups of original income, 1973-1978

TABLE O

	Percentages					
	1973	1974	1975	1976	1977	1978
Household type[1]						
1–2 adults retired	4	3	3	3	4	4
1–2 adults non-retired	35	36	34	36	35	36
2 adults 1–4 children	30	30	30	29	29	28
Others	31	31	32	33	32	32
All households	100	100	100	100	100	100
Quintile group						
Top 20 per cent	50	49	49	50	49	50
21–40 per cent	25	26	26	27	26	26
41–60 per cent	17	17	17	17	17	17
61–80 per cent	8	8	7	7	7	6
81–100 per cent	—	—	—	—	—	—
All households	100	100	100	100	100	100

[1] Adjusted for sample variation.

At the time that child benefit was introduced, in 1977, child tax allowances began to be phased out. These allowances were still at significant levels in 1978 however, and it is not possible to disentangle the effect of this fall from the other factors when interpreting Tables N and O.

Direct taxes were the most important of the redistributive factors in reducing the share of original incomes of the higher quintile groups. However, the impact of changes in direct taxes on the distribution of shares of final income was limited because of the smaller relative importance of direct taxes, compared with original income, in their final incomes.

Disposable income

The size of a household's original income is determined to a large extent by the number of workers in it. Households with no workers, which are mainly retired households but include also a number of one-parent families, have little or no original income. Their income is derived largely from cash benefits from the state. Similarly, the main source of income for the sick, the unemployed and the very poor is state benefits. For the rest of the population, original income is substantial, and it is reduced much more by taxes than it is increased by benefits. The resulting disposable income, i.e. income available for spending after direct taxes and cash benefits, is more evenly distributed than original income. Table P shows how disposable income is distributed, which can be compared with the distribution of original income in Table J. The comparison would show for example, that, amongst household types, the most noticeable difference is that retired households, who receive on average large amounts of cash benefits and who pay comparatively little in direct taxes, had a more than doubled share of income, the shares of the other household types all being lower after redistribution. Amongst the quintile groups, the two lowest groups had increased their share of income at the expense of the two highest groups.

Percentage distribution of disposable income by household type and by quintile groups of original income, 1973-1978

TABLE P

	Percentages						Percentage of people
	1973	1974	1975	1976	1977	1978	1978
Household type[1]							
1–2 adults retired	8	9	9	10	10	10	11
1–2 adults non-retired	29	29	29	29	29	30	20
2 adults 1–4 children	31	31	30	29	29	28	37
Others	32	31	32	32	31	32	32
All households	100	100	100	100	100	100	100
Quintile group							
Top 20 per cent	39	38	37	38	37	37	26
21–40 per cent	24	24	24	24	24	24	23
41–60 per cent	18	18	18	18	18	18	22
61–80 per cent	13	13	13	13	13	13	17
81–100 per cent	7	7	7	8	8	8	13
All households	100	100	100	100	100	100	100

[1] Adjusted for sample variation.

The distribution of disposable income has remained remarkably stable over the period 1973 to 1978, the only significant movements being a rise in the share received by retired households and a fall in that of households with children, both associated with the demographic changes shown in Table I. As noted above it is difficult to relate this distribution directly to relative needs which tend to vary by household size and composition. However, some indication is obtainable from Table P, which shows the proportion of individuals in each group of households; thus the lowest 20 per cent of households contain 13 per cent of individuals compared with the 26 per cent in the top 20 per cent.

Subsidies

While allocated subsidies are not a large proportion of total benefits to households – about 7 per cent in 1978 – they varied appreciably from year to year in the period 1973 to 1978. The peak in 1974–75 was due to the government's anti-inflation policy. Rents were frozen, thereby increasing housing subsidies. Nationalised industries had their prices restrained and the consequent shortfall in revenue was made up by the Government. Food subsidies were introduced. In 1973 housing subsidies, including rent rebates and allowances, were 90 per cent of allocated subsidies; this had fallen to 61 per cent in 1975 but has since returned to 88 per cent in 1978. Excluding rent rebates and allowances, the subsidy to the local authority housing revenue account fell from 60 per cent of allocated subsidies in 1973 to 48 per cent in 1975 but accounted for 68 per cent in 1978. The effects of the increases in subsidies are evident from Table Q, which expresses subsidies as a percentage of disposable income. This table suggests that total subsidies went predominately to retired households and other low income groups, although the benefits from food subsidies introduced in 1974 were spread throughout the income distribution, with larger households receiving more than smaller ones.

Subsidies as a percentage of disposable income by household type and by quintile groups of original income, 1973-1978

TABLE Q

	Percentages					
	1973	1974	1975	1976	1977	1978
Household type						
1–2 adults retired	6	7	9	8	8	7
1–2 adults non-retired	1	2	3	3	3	2
2 adults 1–4 children	1	3	3	2	3	2
Others	2	3	5	3	3	2
All households	2	3	4	4	3	3
Quintile group						
Top 20 per cent	1	2	2	2	1	1
21–40 per cent	1	3	3	2	2	2
41–60 per cent	2	3	4	4	3	3
61–80 per cent	3	5	6	5	5	5
81–100 per cent	10	11	13	13	13	12

This pattern is clearer from Table R, which shows the proportions of subsidies received by different types of household groups. Housing subsidies are primarily of benefit to poor households, which are mainly retired households. The fall in the proportion of housing subsidies in total subsidies between 1973 and 1975 thus led to a fall in the proportion of subsidies received by those households. The gradual phasing out of food subsidies from their peak in 1975, and the continued strong growth of housing subsidies, re-established the 1973 pattern by 1978.

Percentage distribution of subsidies by household type and by quintile groups of original income, 1973-1978

TABLE R

	Percentages					
	1973	1974	1975	1976	1977	1978
Household type[1]						
1–2 adults retired	28	20	20	23	25	28
1–2 adults non-retired	23	24	25	25	25	24
2 adults 1–4 children	23	28	25	24	24	22
Others	26	28	30	29	27	26
All households	100	100	100	100	100	100
Quintile group						
Top 20 per cent	12	18	19	17	15	14
21–40 per cent	15	19	17	16	15	14
41–60 per cent	19	19	19	20	17	18
61–80 per cent	19	20	20	19	22	20
81–100 per cent	35	24	25	28	31	34
All households	100	100	100	100	100	100

[1] Adjusted for sample variation.

Compared with original incomes in the higher quintile groups and cash benefits in the lowest quintile group, subsidies were too small for changes in them to have had a great impact on the distribution of shares of final income amongst quintile groups.

Indirect taxes

Indirect taxes are taxes on households' expenditure on a variety of the items that they buy. Some of the taxes, such as duty on tobacco products, fall on individual items and others, such as VAT, affect a wide range of goods and services. Since the growth in total indirect taxes closely followed the movement in the general index of retail prices and the weight of the individual taxes in the total also remained fairly constant, they formed a constant proportion of total expenditure and thus of disposable income. As Table S shows, there were no significant changes in the proportion of disposable income taken in indirect taxes either across the income distribution or for different household types. Thus changes in the distribution of indirect taxes for the different groups, shown in Table T, follow those in disposable income itself. For this reason, changes in indirect taxes had very little impact on changes in the distribution of shares of final income during the period.

Indirect taxes as a percentage of disposable income by household type and by quintile groups of original income, 1973-1978

TABLE S

	Percentages					
	1973	1974	1975	1976	1977	1978
Household type						
1–2 adults retired	19	19	18	20	19	18
1–2 adults non-retired	20	20	20	21	21	20
2 adults 1–4 children	20	20	21	21	21	20
Others	21	21	22	21	22	21
All households	20	20	21	21	21	20
Quintile group						
Top 20 per cent	18	18	19	19	19	19
21–40 per cent	20	21	21	22	22	21
41–60 per cent	22	22	22	23	23	22
61–80 per cent	23	23	23	22	23	22
81–100 per cent	21	21	20	21	21	20

Percentage distribution of indirect taxes by household type and by quintile groups of original income, 1973-1978

TABLE T

	Percentages					
	1973	1974	1975	1976	1977	1978
Household type[1]						
1–2 adults retired	8	8	8	9	9	9
1–2 adults non-retired	29	29	28	29	29	30
2 adults 1–4 children	31	31	30	29	29	28
Others	32	32	33	33	33	33
All households	100	100	100	100	100	100
Quintile group						
Top 20 per cent	35	34	35	34	34	34
21–40 per cent	24	25	24	25	25	25
41–60 per cent	20	20	19	20	20	19
61–80 per cent	14	14	14	14	14	14
81–100 per cent	7	7	7	7	7	7
All households	100	100	100	100	100	100

[1] Adjusted for sample variation.

Benefits in kind

The principal two benefits which were allocated to households are current expenditure on health and education. Spending on health rose faster than that on education, a contributory factor being the rise in the proportion of elderly people in the population relative to the number of children of school age. The allocation of these benefits depends principally on the size and composition of each household, that is the number of members in different age groups. Thus the changes from year to year shown in Table U were determined to a large extent by the rise in the elderly population and the fall in the number of households with children. Thus 11 per cent of benefits in kind went to retired households in 1978 compared with 8 per cent in 1973; and 38 per cent to households with children in 1978 compared with 40 per cent in 1973.

Compared with original incomes in the higher quintile groups and cash benefits in the lowest quintile group, benefits in kind were not large enough for changes in them to have had a great impact on the distribution of shares of final income amongst quintile groups.

Percentage distribution of direct benefits in kind by household type and quintile groups of original income, 1973-1978

TABLE U

	Percentages					
	1973	1974	1975	1976	1977	1978
Household type[1]						
1–2 adults retired	8	8	9	10	10	11
1–2 adults non-retired	13	12	11	13	12	13
2 adults 1–4 children	40	39	41	40	38	38
Others	39	41	39	38	39	38
All households	100	100	100	100	100	100
Quintile group						
Top 20 per cent	25	25	25	24	26	25
21–40 per cent	23	24	23	23	22	23
41–60 per cent	21	22	22	22	21	21
61–80 per cent	17	17	18	17	17	17
81–100 per cent	13	12	12	14	13	15
All households	100	100	100	100	100	100

[1] Adjusted for sample variation,

Conclusion

The distribution of percentage shares of final income between quintile groups of households ranked by original incomes remained broadly the same during the period. This was so despite significant changes in government expenditure and fiscal policies and also despite demographic changes. There were mainly two reasons for this stability. First, the underlying distribution of shares of original income itself changed little over the period. Second, changes in the other, redistributive components of final income such as retirement pensions tend to offset the impact of demographic changes, and often changes in the components themselves have offset one another. However, without the tax-benefit-subsidy system the distribution of income and of welfare would have been much more unequal than it was.

Central Statistical Office

APPENDIX 1

Methodology and Definitions

The allocation of government expenditure and its financing

There are considerable difficulties in moving from the aggregates of government expenditure and financing published in the *National Income and Expenditure* Blue Book to apportioning taxes and benefits to individual households. We can obtain information about the types of households that receive cash benefits and pay direct taxes through surveys such as the Family Expenditure Survey (FES). From the replies respondents give to questions on their expenditure we can impute their payments of indirect taxes, and from information they supply about such factors as their age and the number of children in the household we can estimate the average costs of providing them with social services, such as health and education. But there are other kinds of financing, such as corporation tax and government receipts from public corporations, which are not covered in the FES and which are difficult to apportion to individual households. Indeed, most people would probably not think of these as leading to a reduction in their personal incomes. Similarly, there are other items of government expenditure, such as capital expenditure, expenditure on defence and on the maintenance of law and order, for which there is no clear conceptual basis for allocation, or for which we do not in any event have sufficient information to make an allocation.

Family Expenditure Survey

The estimates in this article are based mainly on data derived from the FES. The FES is a continuous survey of the expenditure of private households. People living in hotels, lodging houses, and in institutions such as old peoples' homes are excluded. Each respondent keeps a full record of all payments made during 14 consecutive days and answers questions about hire purchase and other payments. Households are also asked in detail about their income from all sources, but there is no systematic linkage of income and expenditure to yield a balanced household budget for any particular period. Every household member aged 16 and over is asked to give detailed information where appropriate about income, including national insurance and other cash benefits received from the state and payments of income tax. Information on age, occupation, kinds of education being received, family composition and housing tenure is also obtained.

One of the main purposes of the FES is to yield information on household expenditure patterns to produce the weights used in compiling the index of retail prices. The survey is conducted by the Office of Population Censuses and Surveys on behalf of the Department of Employment who analyse and report on it. The latest report is the *Family Expenditure Survey Report for 1978*. Details of the survey method are set out in *Family Expenditure Survey – Handbook on the sample, fieldwork and coding procedure* by W. F. F. Kemsley. Both are published by Her Majesty's Stationery Office.

The number of households co-operating in the FES in 1978 was 7,001, compared with 7,198 in 1977.

Unit of analysis

The basic unit of analysis in the article is the household. One of the major reasons for this choice is that it is more appropriate than the family or the individual for determining the redistributive effects of indirect taxes and subsidies. Spending on many items, particularly on housing, fuel and light and food, is largely joint spending by the members of the household. Without further information therefore it would not be possible to apportion indirect taxes or the effects of housing and food subsidies to individuals or other sub-divisions of households, except in a highly arbitrary way.

However, very little is known about the extent to which income is pooled within households or other groupings. Since the analysis is based on the whole household, no assumptions about such pooling have been made. Consequently, it would not be correct to use the analysis to discuss the living standards of the individual members of a household. For example, the standard of living of an old person living in the household may be different from that of the household as a whole. This is also one reason why, for example, unemployment benefit and old age pensions are received by households whose overall position in the income distribution would seem to make them ineligible.

Over time, changes in the pattern of household size and composition affect the shape of the distribution and redistribution of income. For example, increases in the number of older people in the population and a reduction in birth rates have led to a reduction in average household size. This change coupled with earlier retirement has been a factor in the increase in pensions, in other benefits which accrue to retired members of households, and in expenditure on the health service.

A household is defined in the FES as comprising persons who live at the same address and who share common catering for at least one meal a day. In order to maintain comparability with earlier years all persons aged 16 and over are counted as adults in this article.

A retired household is defined as one in which the combined income of members who are at least 60 and who describe themselves as retired or unoccupied amounts to at least half the total gross income of the household. A pensioner household is defined as one in which more than three quarters of the household income consists of national insurance or retirement and similar state pensions, or supplementary allowances supplementing such pensions.

There is some evidence that households who respond to the FES differ from those who do not (see 'Family Expenditure Survey: a study of differential response based on a comparison of the 1971 sample with the census' by W. F. F. Kemsley, *Statistical News* No 31, November 1975 (HMSO)). The effect of this differential response on the accuracy of the estimates of redistribution is the subject of an article 'Differential response in the Family Expenditure Survey: the effect on estimates of redistribution of income' by R. Harris in *Statistical News* No 39, November 1977 (HMSO).

The available evidence suggests that older households, households where the head is self-employed and those

without children are less likely to co-operate than others. There are regional variations in response; for example in the Greater London area it is noticeably lower than in other areas. There are also indications that higher income households are less likely to respond. It is not practicable at present to correct for any consequential non-response bias; the results in the article are based on the responses of those households which actually co-operated in the survey.

Income: redistributive stages

Stage one

Original income *plus* benefits in cash *minus* direct taxes = Disposable income.

Stage two

Disposable income *plus* subsidies *minus* indirect taxes = Income after all taxes and transfers.

Stage three

Income after all taxes and transfers *plus* benefits in kind = Income after all taxes and benefits (final income).

The starting point of the analysis is *original income*. This is income in cash and kind of all members of the household before the deduction of taxes or the addition of any state benefits. The original income of the household is the total combined income of the members of the household from employment, self-employment and investment, including occupational pensions. It is based on a concept of normal income around which the FES income questions are structured. Normal income is a function of the income received in the pay period preceding the interview (usually a week or a month), adjusted, in those cases where the last payment was abnormal, to take account of the amount usually received. Allowance is also made for periods of absence from work through sickness and unemployment, and for occasional payments. In the case of investment and self-employment income the normal income figure is taken as the amount received in the last twelve months for which details are available from the respondent.

Some income in kind is included, though the coverage of fringe benefits is not comprehensive. Households living in owner-occupied or rent-free dwellings are assigned an imputed income based upon the rateable value of the dwelling. The various components of income are converted to estimated normal annual rates.

The next stage of the analysis is to show the distribution of cash benefits and to add these to original income to obtain *original income plus cash benefits*. Cash benefits are:

Family allowances and child benefit
Retirement and old-age pension, widow's pension, disablement and war disability pension, invalidity pension and allowance, mobility allowance
Unemployment benefit, sickness, industrial injury and industrial injury disablement benefit
Family income supplement
Supplementary benefit
Maternity allowance
Death and maternity grants
Redundancy payment
Other cash benefits

Supplementary benefit includes all supplementary allowances where they are separately distinguished by respondents. The amount of benefit is taken as the amount received by the household in the 12 months prior to interview. Redundancy benefit is the sole exception to this; the amount of benefit received is divided by the number of years it is intended to cover.

Direct taxes are then deducted to give *disposable income*.

Direct taxes are:

Income tax
Employees' and self-employed contributions to national insurance and national health services.

The estimates are based on the amount deducted from the last payment in the case of employment incomes and on the amount paid in the last 12 months for which figures are available in the case of self-employment and investment incomes.

As original income includes some elements of income in kind, particularly imputed rent of owner occupiers, disposable income as defined here does not correspond exactly to money available for the household to spend. It does however give an indication of the resources which are available to the household, and which influence spending decisions.

One of the basic problems of allocating government revenues and expenditures to households is in identifying the ultimate payer or recipient. In some cases, for example corporation tax, this is impracticable or highly controversial and so we prefer not to allocate the items concerned. Even for those we do allocate the criteria used are sometimes questionable. Thus, the lack of data forces us to assume that the incidence of net direct taxes falls on the individual from whose income the tax is deducted. The analysis implies that the benefit of tax relief, for example mortgage tax relief, accrues directly to the tax payer rather than to some other party, for example, the vendor of the land. It also implies that no section of the working population has been able to pass the cost of the direct tax back to employers through lower profits, or to consumers through higher prices. The major taxes not allocated are corporation tax and taxes on capital.

The order in which the remaining allocated items are presented is to some extent arbitrary. First, we add subsidies less indirect taxes to disposable income to obtain *income after all taxes and transfers*. This corresponds closely to 'available income' in the United Nations recommendations for systems of national accounts, and to the 'factor cost' concept of consumers' expenditure shown in the national income Blue Books; the factor cost is calculated by subtracting indirect taxes from consumers' expenditure at market prices and adding consumer subsidies. The subsidies are:

Housing subsidies
Food subsidies
Rail travel subsidies

The total housing subsidy for local authority tenants is defined as the difference between current account expenditure by public authorities on housing (the sum of the 'economic rents') and the rent paid by tenants of local authority dwellings. For each local authority dwelling in the sample the subsidy is derived as the excess of the estimated

economic rent over the actual rent paid by the tenant. The subsidy therefore includes any rent rebates which the tenant may be allowed. The economic rent for each dwelling is calculated by multiplying the rateable value of that dwelling by the ratio of the total current account expenditure on all dwellings owned by the local authority to the total rateable value of those dwellings. In the case of non-local authority tenants the value of any rent allowances received is counted as a housing subsidy, and is not included in original income.

Food subsidies for each household are estimated by calculating the ratio of the total cost of the subsidies to consumers' expenditure on the subsidised product field. The subsidy factors derived in this way are applied to actual expenditure by the household on the product field covered. It is not possible to distinguish expenditure on subsidised and unsubsidised categories within each product field. Consumer subsidies on milk, butter, cheese, household flour, bread and tea are calculated in this way. By 1978 these subsidies had been largely phased out, leaving only a subsidy on butter.

In line with practice in earlier years, agricultural subsidies are regarded as forming part of the original income of farmers and not as benefits to the consumer. The subsidies do not include payments by the European Economic Community because reliable estimates of them are not available for 1978.

The rail travel subsidies allocated are those to British Rail and to London Transport railways (the Underground). They are estimated in a way similar to food subsidies; i.e. by calculating the ratio of the cost of the subsidy to consumers' expenditure on rail fares. In allocating the British Rail subsidy the total subsidy paid is apportioned between freight and passenger services by the receipts of British Rail for their freight and passenger business and then a further apportionment between the personal and the business and other sectors is made. This gives the amount of subsidy attributable to rail travel by the personal sector. In allocating the subsidy to London Transport railways the total subsidy to London Transport is apportioned between tube and bus services by the receipts of these sections with an allowance for the use of the Underground for business purposes.

A more detailed account of the treatment of subsidies is given in an article, 'The redistributive effect of subsidies on households', in *Economic Trends* No 289, November 1977.

Indirect taxes on final consumer goods and services are:

- Local authority rates on dwellings (after rebates)
- Duties on beer, wines, spirits, tobacco, oil, betting, etc.
- Value added tax (VAT)
- Car tax
- Motor vehicle duties
- Driving licences
- Television licences
- Stamp duties

These taxes are either levied directly on the consumer (for example local rates) or are assumed to be fully incident on the consumer. For example, the amount of VAT which is paid by the household is calculated from the household's total expenditure on goods and services subject to VAT. Where goods are subject to both excise duties and VAT, the VAT is consolidated with the excise duty. Thus 'duty on wines' includes both excise duty and VAT.

VAT and car tax affect the prices of secondhand cars and are therefore assumed to be incident on the purchaser of such cars. Expenditure recorded in the FES on alcoholic drink, tobacco, ice cream, soft drinks and confectionery is weighted to allow for the known under-recording of these items in the sample. The true expenditure in each case is assumed to be proportional to the recorded expenditure.

Since the responsibility for the sewerage service was transferred from local authorities in England and Wales to the regional water authorities in 1974, there has been a gradual shift in collection of sewerage rates from local authorities, who continued in many cases to collect this portion of the rates on behalf of the water authorities, to the water authorities themselves. During this period we therefore continued to include the sewerage rates in the total with general local authority rates. Although we could now separate them, we have decided to continue this practice to preserve the continuity of this series, although we may review this in the future. It should be noted that local authority rates are paid in full by recipients of supplementary benefit as the supplementary benefit payments they receive include an allowance for this item.

Indirect taxes on intermediate goods and services are:

- Local authority rates on commercial and industrial property
- Motor vehicle duties
- Duties on hydrocarbon oils
- Import duties
- Stamp duties
- Employers' contributions to national insurance, the National Health Service, the industrial injuries fund and the redundancy payments scheme.
- National insurance surcharge

These taxes are those that fall on goods and services purchased by industry and used in the production of goods and services for final consumption by consumers. That part which falls on goods and services bought by consumers is assumed to be fully shifted to the consumer. Their allocation between different categories of consumers' expenditure is based on the relation between intermediate production and final demand, estimated using input-output techniques.

Finally, we add the effect of those state benefits in kind for which there is a reasonable basis for allocation to households, to obtain *income after all taxes and benefits*. Benefits in kind are:

- National Health Service
- School health service
- State education
- Scholarships and education grants from public funds
- School meals, milk and other welfare foods

The measure of the benefit of the National Health Service to households is the cost of providing the service. That cost is estimated by the Department of Health and Social Security according to the use made of the service by individuals of different ages and sex. It is then applied to the households in the FES in the corresponding age-sex groups. The benefit of the maternity services is assigned

separately to those households in receipt of maternity benefit.

Education benefit is estimated by the Department of Education and Science as the cost per pupil or student of providing the various educational services, such as special schools, primary, secondary and direct grant schools, universities and teacher training colleges. The value of the benefit attributed to households depends on the number of persons in the household recorded in the FES as receiving each kind of education. Actual scholarship payments by the state are added to this figure and the fees and contributions made by parents subtracted to arrive at a final net benefit for each household.

The value of school meals and other welfare foods is based on their cost to the public authorities. Any payment by the individual households is subtracted to arrive at a net contribution.

In conclusion it must be emphasised that the analysis in this article provides only a very rough guide to the kinds of household which benefit from government expenditure and by how much, and to those which finance it. Apart from the fact that large parts of expenditure and receipts are not allocated, the methods both of allocating taxes and of valuing and apportioning benefits to individual households are subject to error. For example, in allocating indirect taxes we assume that the part of the tax falling on consumers' expenditure is borne by the household which buys the item or the service taxed, whereas in reality the incidence of the tax is spread by pricing policies and probably falls in varying proportions on the producers of a good or service, on their employees, on the buyer, and on the producers and consumers of other goods and services. Another example is that we know only an estimate of the total financial cost of providing benefits, such as education, and so we have to treat that cost as if it measured the benefit which accrues to recipients of the service. In fact, the value the recipients themselves place on the service may be very different from the cost of providing it; moreover, there may be households in the community, other than the immediate beneficiaries, who receive a benefit indirectly from the general provision of the service (for example, health service expenditure lowers the general likelihood of infectious diseases).

Previous articles

This article is the latest in an annual series. Earlier articles covering the years 1957 to 1977 were published in the following issues of *Economic Trends:* November 1962, February 1964, August 1966, February 1968, 1969, 1970, 1971, 1972, November 1972 and 1973, December 1974, February 1976, December 1976, February 1978 and January 1979. The December 1974 article contains a comprehensive account of the methods employed and the changes in treatment over the years. As far as is practicable with the resources available the Central Statistical Office will provide on request analyses for 1978 on a basis comparable with those for earlier years. Enquiries should be addressed to D. Westcott, Branch 13, Central Statistical Office, Great George Street, London SW1P 3AQ, telephone 01–233–7644.

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by decile groups of income after all taxes and benefits	12	130

General government expenditure[1] in 1973 and 1978

TABLE 1

	1973		1978	
	£ million	*Percentage of total expenditure*	£ million	*Percentage of total expenditure*
Allocated expenditure				
Allocated cash benefits and subsidies[2]				
Benefits in cash	5,310	*17·4*	15,240	*21·4*
Subsidies				
Housing (including rent rebates and allowances)	570	*1·9*	2,120	*3·0*
Food	—	—	20	—
Rail travel	60	*0·2*	270	*0·4*
Allocated benefits in kind				
Health services	2,640	*8·6*	7,170	*10·1*
Education	3,290	*10·8*	8,030	*11·3*
School meals, milk, welfare foods	200	*0·7*	460	*0·6*
	12,070	*39·6*	33,320	*46·6*
Unallocated expenditure				
Other current expenditure on social, environmental and protective services				
Social services				
Social security benefits				
Administration	270	*0·9*	730	*1·0*
Personal social services	430	*1·4*	1,320	*1·9*
Other	20	*0·1*	30	—
Environmental services				
Housing	80	*0·3*	230	*0·3*
Water, sewerage, land drainage, and public health	340	*1·1*	660	*0·9*
Parks, etc.	130	*0·4*	370	*0·5*
Miscellaneous local authority services	250	*0·8*	670	*0·9*
Libraries, museums, and arts	140	*0·5*	360	*0·5*
Protective services				
Police	530	*1·7*	1,290	*1·8*
Parliaments, courts and prisons	240	*0·8*	680	*1·0*
Fire services	110	*0·4*	280	*0·4*
	2,540	*8·4*	6,630	*9·2*
Capital expenditure on social, environmental and protective services				
Social services	1,040	*3·4*	1,100	*1·5*
Environmental services				
Housing	1,680	*5·5*	2,720	*3·8*
Other	770	*2·5*	830	*1·2*
Protective services	70	*0·2*	120	*0·2*
	3,560	*11·7*	4,770	*6·7*
Other current expenditure				
Defence and external relations	3,840	*12·6*	9,250	*13·0*
Roads, transport and communications	670	*2·2*	1,550	*2·2*
Industry, trade, agriculture, research and employment	1,430	*4·7*	2,760	*3·9*
Other	550	*1·8*	1,300	*1·8*
	6,490	*21·3*	14,860	*20·8*
Other capital expenditure	2,650	*8·7*	3,440	*4·8*
Debt interest	2,740	*9·0*	7,300	*10·2*
Non-trading capital consumption	450	*1·5*	1,040	*1·5*
Total expenditure	30,500	*100·0*	71,350	*100·0*

[1] This table and Table 2 relate to the combined expenditure of central government and local authorities, excluding transactions between the two sectors. Prior to the 1976 article, the tables related to consolidated public sector expenditure, a presentation no longer used in the national accounts. Whereas the present figures include general government payments to and receipts from public corporations, the former tables included the income and expenditure of public corporations other than their receipts from and payments to general government.

[2] Including benefits to people not living in private households.

Source: *National Income and Expenditure 1968–78*, Table 9.4

Financing of general government[1] expenditure in 1973 and 1978

TABLE 2

	1973		1978	
	£ million	*Percentage of total financing*	£ million	*Percentage of total financing*
Allocated financing				
Allocated taxes[2]				
Direct taxes				
Income and surtax	7,480	*24·5*	18,640	*26·1*
Employees' and self-employed NI contributions	1,880	*6·2*	3,970	*5·6*
Indirect taxes				
On final goods and services	6,940	*22·7*	13,940	*19·5*
On intermediate goods and services	2,080	*6·8*	5,790	*8·1*
	18,380	*60·3*	42,330	*59·3*
Unallocated financing				
Unallocated taxes				
Corporation tax, etc.	1,790	*5·9*	3,680	*5·2*
Taxes on expenditure not allocated to consumers' expenditure	1,930	*6·3*	6,090	*8·5*
Employers' NI contributions not allocated to consumers' expenditure	1,230	*4·0*	3,480	*4·9*
Taxes on capital	880	*2·9*	900	*1·3*
	5,830	*19·1*	14,150	*19·8*
Other receipts[3]	2,610	*8·6*	5,840	*8·2*
Government borrowing requirement	3,680	*12·1*	9,030	*12·7*
Total financing	30,500	*100·0*	71,350	*100·0*

[1] See footnote [1] of Table 1.
[2] Including taxes paid by people not living in private households.
[3] Receipts of rent, interest, dividends, trading income and miscellaneous transactions (net).

Source: *National Income and Expenditure 1968–78*, Table 9.1

Average incomes, taxes and benefits, 1973 and 1978

By decile groups of original income within household type

TABLE 3

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1978											
Deciles	*156*	*886*	*2,290*	*3,532*	*4,516*	*5,418*	*6,431*	*7,619*	*9,607*		
(*i*) **All households**											
Number of households in the sample	700	700	700	700	700	700	700	700	700	701	7,001
Original income	23	461	1,559	2,964	4,050	4,987	5,904	7,014	8,514	12,766	4,825
Direct benefits in cash											
Family allowance/child benefit	40	25	50	70	96	114	107	103	97	94	80
Pensions	947	1,074	869	364	223	159	128	91	91	78	402
Unemployment/sickness/injury benefit	36	40	111	88	59	59	41	40	45	39	56
Other direct benefits	535	248	154	80	88	59	48	46	39	30	133
Original income and cash benefits	1,581	1,848	2,744	3,565	4,516	5,377	6,229	7,294	8,786	13,007	5,496
Direct taxes	−1	14	148	417	718	904	1,139	1,371	1,801	2,958	947
Disposable income	1,582	1,835	2,596	3,148	3,798	4,474	5,091	5,923	6,985	10,049	4,549
Subsidies	252	163	125	121	121	100	88	82	84	82	122
Indirect taxes	324	366	575	714	832	963	1,063	1,217	1,388	1,779	922
Income after all taxes and transfers	1,509	1,632	2,146	2,555	3,087	3,611	4,115	4,788	5,682	8,352	3,748
Direct benefits in kind											
Education	190	121	205	227	324	372	397	403	416	471	313
National Health Service	294	318	323	295	312	327	324	321	334	375	322
Welfare foods	28	15	21	22	25	26	26	21	21	21	23
Income after all taxes and benefits	2,021	2,086	2,696	3,099	3,747	4,337	4,862	5,533	6,452	9,219	4,406
1973											
Deciles	*98*	*533*	*1,272*	*1,756*	*2,139*	*2,528*	*2,937*	*3,473*	*4,408*		
(*i*) **All households**											
Number of households in the sample	713	712	713	712	713	713	712	713	712	713	7,126
Original income	19	283	907	1,539	1,951	2,345	2,728	3,193	3,889	6,238	2,309
Direct benefits in cash											
Family allowance	7	4	12	20	25	27	29	26	24	21	19
Pensions	421	472	313	129	88	63	57	48	38	47	168
Unemployment/sickness/injury benefit	8	20	41	38	25	24	15	14	16	14	22
Other direct benefits	178	54	36	31	12	24	15	8	7	7	37
Original income and cash benefits	633	833	1,308	1,757	2,101	2,483	2,843	3,290	3,975	6,326	2,555
Direct taxes	—	11	102	220	292	376	457	543	711	1,276	399
Disposable income	633	822	1,206	1,536	1,809	2,107	2,386	2,747	3,264	5,050	2,156
Subsidies	94	48	38	37	37	38	34	25	25	23	40
Indirect taxes	130	172	268	351	399	445	503	532	632	875	431
Income after all taxes and transfers	597	698	977	1,222	1,447	1,700	1,917	2,240	2,657	4,197	1,765
Direct benefits in kind											
Education	66	74	105	129	140	171	189	193	192	239	150
National Health Service	107	119	115	121	125	130	128	123	122	134	122
Welfare foods	7	5	8	10	8	11	11	10	10	8	9
Income after all taxes and benefits	777	896	1,204	1,482	1,719	2,012	2,246	2,566	2,981	4,579	2,046

Average incomes, taxes and benefits, 1973 and 1978

By decile groups of original income within household type

TABLE 3 (*continued*)

	£ per year										
	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1978											
Deciles	—	—	*13*	*95*	*213*	*359*	*546*	*884*	*1,626*		
(*ii*) **1 Adult retired**											
Number of households in sample	84	84	85	84	84	84	84	85	84	84	842
Original income	—		2	46	159	284	441	687	1,225	3,131	597
Direct benefits in cash											
Retirement and old age pension	870		865	842	895	899	874	907	864	785	867
Other pensions	26		61	36	25	22	52	45	37	37	37
Supplementary benefits	363		336	303	123	107	72	17	12	3	170
Other direct benefits	42		26	44	9	23	42	21	12	15	28
Original income and cash benefits	1,301		1,291	1,271	1,211	1,334	1,480	1,677	2,150	3,972	1,698
Direct taxes	—		—1	2	4	12	20	37	160	729	96
Disposable income	1,301		1,292	1,269	1,207	1,322	1,461	1,640	1,990	3,243	1,602
Subsidies	188		230	242	184	170	167	59	94	26	155
Indirect taxes	222		238	217	199	236	263	260	376	511	274
Income after all taxes and transfers	1,266		1,284	1,295	1,191	1,257	1,365	1,439	1,707	2,758	1,483
Direct benefits in kind											
National Health Service	236		232	233	236	234	230	239	223	224	232
Income after all taxes and benefits	1,503		1,516	1,527	1,427	1,491	1,595	1,678	1,931	2,982	1,715
1973											
Deciles	—	—	*3*	*39*	*89*	*157*	*234*	*388*	*663*		
(*ii*) **1 Adult retired**											
Number of households in the sample	80	80	81	80	80	80	80	81	80	80	802
Original income	—			17	65	125	194	299	522	1,643	286
Direct benefits in cash											
Retirement and old age pension	332			362	362	367	362	355	343	357	350
Other pensions	30			15	8	9	10	20	43	14	21
Supplementary benefits	136			122	87	49	35	11	1	—	71
Other direct benefits	15			3	2	3	3	6	5	8	7
Original income and cash benefits	513			519	524	553	604	692	913	2,022	736
Direct taxes	—			1	1	2	4	13	63	399	48
Disposable income	513			518	524	551	600	679	850	1,623	688
Subsidies	101			106	44	50	42	40	33	6	63
Indirect taxes	94			101	96	101	128	131	149	251	124
Income after all taxes and transfers	520			523	472	500	514	588	733	1,378	626
Direct benefits in kind											
National Health Service	86			88	84	88	85	87	85	87	86
Income after all taxes and benefits	606			611	556	588	599	675	818	1,466	713

Average incomes, taxes and benefits, 1973 and 1978

By decile groups of original income within household type

TABLE 3 (*continued*)

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1978											
Deciles	*354*	*1,253*	*1,965*	*2,507*	*3,045*	*3,455*	*3,976*	*4,755*	*5,872*		
(*iii*) **1 Adult non-retired**											
Number of households in the sample	60	61	60	61	60	60	61	60	61	60	604
Original income	57	800	1,638	2,206	2,767	3,280	3,696	4,364	5,299	7,786	3,188
Direct benefits in cash											
Family allowance/child benefit	—	1	—	—	2	2	—	4	—	1	1
Pensions	407	620	402	198	96	99	130	30	80	53	212
Unemployment/sickness/injury benefit	16	96	44	51	28	18	13	27	1	5	30
Other direct benefits	591	90	89	34	12	1	7	5	2	17	84
Original income and cash benefits	1,071	1,607	2,172	2,489	2,905	3,400	3,846	4,429	5,381	7,862	3,515
Direct taxes	-3	57	242	348	544	790	872	986	1,373	1,958	717
Disposable income	1,068	1,550	1,930	2,141	2,361	2,610	2,974	3,443	4,008	5,904	2,798
Subsidies	237	126	157	100	51	75	90	124	34	30	102
Indirect taxes	278	374	400	547	616	596	649	708	783	1,014	596
Income after all taxes and transfers	1,026	1,302	1,687	1,694	1,797	2,089	2,415	2,859	3,259	4,919	2,304
Direct benefits in kind											
Education	431	135	60	17	60	—	—	3	−8	—	70
National Health Service	114	157	145	135	124	123	122	111	119	102	125
Income after all taxes and benefits	1,571	1,595	1,892	1,846	1,981	2,212	2,537	2,973	3,370	5,021	2,499
1973											
Deciles	*304*	*561*	*895*	*1,165*	*1,363*	*1,584*	*1,799*	*2,080*	*2,575*		
(*iii*) **1 Adult non-retired**											
Number of households in the sample	55	55	54	55	55	55	55	54	55	55	548
Original income	119	445	741	1,055	1,269	1,479	1,701	1,950	2,356	3,889	1,501
Direct benefits in cash											
Family allowance	—	—	—	—	—	1	—	—	—	—	—
Pensions	240	250	192	60	90	66	15	18	22	34	99
Unemployment/sickness/injury benefit	13	13	9	19	7	3	7	1	1	2	8
Other direct benefits	115	14	9	11	1	4	21	—	1	—	18
Original income and cash benefits	487	721	951	1,144	1,367	1,552	1,744	1,970	2,379	3,924	1,624
Direct taxes	—	36	99	172	206	282	339	379	522	958	300
Disposable income	487	685	852	972	1,160	1,270	1,406	1,590	1,857	2,966	1,325
Subsidies	52	37	27	26	28	23	15	27	8	13	26
Indirect taxes	122	156	183	225	260	265	291	351	351	463	267
Income after all taxes and transfers	417	566	696	773	929	1,029	1,130	1,266	1,514	2,516	1,084
Direct benefits in kind											
Education	287	97	29	—	21	—	—	—	29	—	46
National Health Service	50	56	50	44	44	42	40	38	41	42	45
Income after all taxes and benefits	754	719	775	817	993	1,070	1,170	1,304	1,583	2,558	1,175

Average incomes, taxes and benefits, 1973 and 1978

By decile groups of original income within household type

TABLE 3 (*continued*)

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1978											
Deciles	—	*110*	*268*	*439*	*670*	*956*	*1,405*	*2,044*	*3,188*		
(*iv*) **2 adults retired**											
Number of households in sample	67	67	67	66	67	66	67	66	67	67	667
Original income	—	40	187	361	546	807	1,152	1,676	2,514	5,469	1,277
Direct benefits in cash											
Retirement and old age pension	1,371	1,519	1,460	1,494	1,510	1,410	1,397	1,361	1,447	1,408	1,438
Other pensions	206	70	95	99	39	71	136	137	71	29	95
Supplementary benefits	276	239	74	67	43	10	31	22	11	—	77
Other direct benefits	92	52	93	62	144	149	83	96	22	64	86
Original income and cash benefits	1,945	1,921	1,908	2,082	2,281	2,447	2,798	3,292	4,065	6,970	2,973
Direct taxes	—	2	2	6	14	41	93	232	416	1,440	225
Disposable income	1,945	1,918	1,906	2,076	2,267	2,406	2,705	3,059	3,649	5,530	2,747
Subsidies	322	320	303	171	76	170	50	63	65	8	155
Indirect taxes	375	428	407	440	425	471	568	631	674	861	528
Income after all taxes and transfers	1,891	1,810	1,803	1,807	1,917	2,104	2,187	2,491	3,040	4,678	2,374
Direct benefits in kind											
National Health Service	435	448	437	455	452	438	444	419	430	437	439
Income after all taxes and benefits	2,326	2,258	2,240	2,262	2,369	2,542	2,631	2,910	3,470	5,114	2,813
1973											
Deciles	—	*31*	*100*	*187*	*261*	*378*	*547*	*827*	*1,688*		
(*iv*) **2 adults retired**											
Number of households in the sample	60	59	59	59	59	59	59	59	59	59	591
Original income	—	7	66	146	219	312	457	671	1,144	3,296	631
Direct benefits in cash											
Retirement and old age pension	555	634	631	609	613	625	613	613	571	496	596
Other pensions	59	39	40	38	92	28	60	38	56	17	47
Supplementary benefits	153	118	70	36	28	11	3	9	4	—	43
Other direct benefits	16	3	8	1	—	19	6	13	15	4	9
Original income and cash benefits	782	802	815	830	952	995	1,139	1,345	1,790	3,812	1,325
Direct taxes	—	—	—	3	2	8	27	67	189	861	116
Disposable income	782	801	815	828	950	987	1,112	1,278	1,601	2,951	1,210
Subsidies	118	93	85	67	21	40	42	13	17	—	50
Indirect taxes	175	159	164	176	204	205	229	242	303	508	237
Income after all taxes and transfers	726	735	736	718	767	821	925	1,049	1,315	2,443	1,023
Direct benefits in kind											
Education	—	—	—	19	—	—	—	—	—	19	4
National Health Service	159	164	166	162	166	163	162	162	156	155	162
Welfare foods	1	—	—	1	—	—	—	—	—	—	—
Income after all taxes and benefits	885	899	902	900	933	985	1,087	1,211	1,471	2,617	1,189

Average incomes, taxes and benefits, 1973 and 1978

By decile groups of original income within household type

TABLE 3 (*continued*)

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1978											
Deciles	*2,108*	*3,291*	*4,134*	*4,850*	*5,597*	*6,280*	*7,133*	*8,050*	*9,807*		
(*v*) **2 adults non-retired**											
Number of households in the sample	157	157	158	157	157	157	157	158	157	157	1,572
Original income	1,064	2,774	3,714	4,518	5,215	5,931	6,695	7,555	8,797	12,885	5,914
Direct benefits in cash											
Family allowance/child benefit	2	2	1	—	1	—	1	—	—	2	1
Pensions	989	483	271	212	124	98	42	58	45	88	241
Unemployment/sickness/injury benefit	170	102	60	49	47	38	35	22	26	20	57
Other direct benefits	232	84	40	16	16	35	6	21	6	16	47
Original income and cash benefits	2,457	3,445	4,086	4,794	5,404	6,101	6,780	7,657	8,874	13,011	6,260
Direct taxes	42	385	646	871	982	1,200	1,363	1,645	1,988	3,321	1,244
Disposable income	2,415	3,060	3,440	3,924	4,422	4,901	5,417	6,011	6,886	9,690	5,016
Subsidies	200	123	100	115	95	80	99	35	51	57	96
Indirect taxes	574	746	761	897	980	1,007	1,141	1,151	1,245	1,607	1,011
Income after all taxes and transfers	2,041	2,437	2,779	3,142	3,537	3,974	4,376	4,895	5,691	8,140	4,101
Direct benefits in kind											
Education	210	129	66	93	64	—	28	—	49	—	64
National Health Service	324	287	264	262	252	239	232	230	231	243	256
Welfare foods	1	—	—	—	—	—	—	—	—	—	—
Income after all taxes and benefits	2,576	2,852	3,109	3,497	3,852	4,213	4,637	5,125	5,971	8,383	4,421
1973											
Deciles	*899*	*1,428*	*1,738*	*2,035*	*2,380*	*2,714*	*3,085*	*3,517*	*4,243*		
(*v*) **2 adults non-retired**											
Number of households in the sample	167	166	166	166	166	166	166	166	166	166	1,661
Original income	480	1,182	1,580	1,892	2,215	2,550	2,911	3,275	3,837	6,422	2,633
Direct benefits in cash											
Pensions	461	222	131	115	64	63	37	23	27	27	117
Unemployment/sickness/injury benefit	60	39	26	23	25	14	11	11	11	7	23
Other direct benefits	63	16	16	10	7	5	2	3	1	4	13
Original income and cash benefits	1,064	1,458	1,754	2,040	2,311	2,633	2,961	3,312	3,875	6,459	2,786
Direct taxes	24	150	256	310	395	507	531	603	774	1,486	503
Disposable income	1,041	1,308	1,497	1,730	1,916	2,126	2,430	2,709	3,101	4,973	2,282
Subsidies	64	36	32	39	39	32	28	14	12	12	31
Indirect taxes	234	306	352	410	434	462	495	499	583	733	451
Income after all taxes and transfers	871	1,038	1,177	1,359	1,522	1,696	1,963	2,223	2,530	4,252	1,862
Direct benefits in kind											
Education	158	83	50	27	9	2	7	—	7	7	35
National Health Service	125	106	109	97	92	89	83	78	77	84	94
Income after all taxes and benefits	1,154	1,227	1,337	1,484	1,622	1,787	2,052	2,302	2,614	4,343	1,992

Average incomes, taxes and benefits, 1973 and 1978

By decile groups of original income within household type

TABLE 3 (*continued*)

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1978											
Deciles	*2,689*	*3,716*	*4,276*	*4,842*	*5,356*	*5,872*	*6,571*	*7,497*	*9,019*		
(*vi*) **2 adults, 1-4 children**											
Number of households in the sample	179	179	179	179	179	179	179	179	179	180	1,791
Original income	1,423	3,256	4,021	4,572	5,102	5,598	6,202	7,006	8,161	11,840	5,721
Direct benefits in cash											
Family allowance/child benefit	222	175	180	190	213	212	194	205	208	218	202
Pensions	340	39	19	28	19	7	4	9	8	—	47
Unemployment/sickness/injury benefit	383	89	57	40	45	21	24	15	21	14	71
Other direct benefits	491	102	100	55	42	30	36	36	23	15	93
Original income and cash benefits	2,860	3,662	4,376	4,885	5,421	5,867	6,460	7,271	8,422	12,087	6,134
Direct taxes	—26	329	643	725	890	1,058	1,180	1,353	1,756	2,632	1,055
Disposable income	2,886	3,333	3,733	4,160	4,531	4,809	5,280	5,918	6,666	9,454	5,079
Subsidies	202	192	122	93	123	81	76	69	41	39	104
Indirect taxes	710	775	861	930	971	1,010	1,017	1,116	1,291	1,439	1,012
Income after all taxes and transfers	2,377	2,750	2,994	3,323	3,683	3,880	4,338	4,871	5,416	8,054	4,171
Direct benefits in kind											
Education	650	450	515	496	542	606	609	559	598	657	568
National Health Service	393	368	363	365	369	365	353	362	357	357	365
Welfare foods	98	40	43	40	43	49	43	41	49	47	49
Income after all taxes and benefits	3,518	3,608	3,915	4,224	4,636	4,900	5,344	5,834	6,419	9,116	5,154
1973											
Deciles	*1,489*	*1,840*	*2,054*	*2,295*	*2,511*	*2,721*	*3,022*	*3,403*	*4,146*		
(*vi*) **2 adults, 1-4 children**											
Number of households in the sample	195	195	195	194	195	195	194	195	195	195	1,948
Original income	1,002	1,684	1,952	2,174	2,405	2,608	2,855	3,196	3,740	5,826	2,745
Direct benefits in cash											
Family allowance	47	41	46	44	42	42	49	45	44	52	45
Pensions	114	16	4	7	9	14	4	6	2	—	18
Unemployment/sickness/injury benefit	126	45	27	20	18	13	7	6	12	3	28
Other direct benefits	67	26	9	18	9	12	8	7	4	2	16
Original income and cash benefits	1,357	1,812	2,038	2,263	2,483	2,689	2,922	3,260	3,802	5,883	2,851
Direct taxes	78	183	263	297	360	394	468	533	649	1,082	431
Disposable income	1,279	1,629	1,775	1,965	2,124	2,296	2,455	2,727	3,154	4,801	2,421
Subsidies	61	44	37	44	38	26	27	25	16	9	33
Indirect taxes	364	372	398	422	445	447	512	506	559	776	480
Income after all taxes and transfers	977	1,301	1,414	1,588	1,717	1,874	1,969	2,246	2,610	4,033	1,973
Direct benefits in kind											
Education	267	204	208	205	229	225	253	262	270	257	238
National Health Service	158	151	152	145	150	143	146	139	132	128	144
Welfare foods	28	15	13	15	15	16	19	18	19	17	17
Income after all taxes and benefits	1,430	1,670	1,788	1,953	2,112	2,257	2,388	2,665	3,031	4,436	2,373

Average incomes, taxes and benefits, 1973 and 1978

By decile groups of original income within household type

TABLE 3 (*continued*)

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1978											
Deciles	*1,234*	*3,387*	*4,965*	*6,090*	*7,000*	*7,939*	*9,109*	*10,280*	*12,420*		
(*vii*) **Other households**											
Number of households in the sample	152	153	152	153	152	153	152	153	152	153	1,525
Original income	329	2,378	4,241	5,517	6,558	7,460	8,485	9,670	11,287	15,904	7,186
Direct benefits in cash											
Family allowance/child benefit	238	163	145	120	113	112	87	102	96	86	126
Pensions	500	631	489	368	324	143	147	143	89	70	290
Unemployment/sickness/injury benefit	64	138	156	134	88	78	77	69	56	55	92
Other direct benefits	1,292	355	247	188	126	71	83	35	53	39	249
Original income and cash benefits	2,422	3,666	5,279	6,327	7,208	7,864	8,879	10,019	11,581	16,153	7,943
Direct taxes	10	239	629	881	1,078	1,375	1,694	1,907	2,431	3,656	1,391
Disposable income	2,412	3,427	4,650	5,445	6,130	6,489	7,185	8,113	9,150	12,497	6,552
Subsidies	221	200	147	120	132	138	147	132	122	98	146
Indirect taxes	560	799	1,005	1,228	1,412	1,495	1,558	1,730	1,856	2,193	1,384
Income after all taxes and transfers	2,073	2,828	3,792	4,338	4,850	5,131	5,773	6,515	7,416	10,401	5,313
Direct benefits in kind											
Education	962	621	659	731	656	676	523	643	627	651	675
National Health Service	368	400	436	425	418	389	409	434	421	459	416
Welfare foods	155	80	50	37	32	18	22	22	21	17	45
Income after all taxes and benefits	3,557	3,928	4,937	5,530	5,957	6,214	6,727	7,614	8,485	11,529	6,449
1973											
Deciles	*947*	*1,760*	*2,340*	*2,784*	*3,167*	*3,595*	*4,035*	*4,793*	*5,867*		
(*vii*) **Other households**											
Number of households in the sample	158	157	158	157	158	158	157	158	157	158	1,576
Original income	325	1,389	2,059	2,565	2,978	3,385	3,829	4,410	5,272	7,487	3,370
Direct benefits in cash											
Family allowance	47	47	37	41	33	27	25	20	18	19	31
Pensions	355	284	249	163	106	99	50	66	60	55	149
Unemployment/sickness/injury benefit	21	76	47	42	34	23	22	26	19	25	34
Other direct benefits	403	111	49	74	21	16	15	9	6	17	72
Original income and cash benefits	1,151	1,907	2,440	2,886	3,172	3,551	3,941	4,531	5,375	7,603	3,656
Direct taxes	29	139	266	350	439	555	631	747	960	1,572	569
Disposable income	1,122	1,768	2,174	2,536	2,733	2,996	3,310	3,784	4,415	6,030	3,087
Subsidies	87	59	46	48	55	37	40	39	40	33	48
Indirect taxes	251	381	467	558	593	637	678	778	917	1,087	635
Income after all taxes and transfers	958	1,446	1,752	2,025	2,195	2,397	2,672	3,045	3,538	4,977	2,501
Direct benefits in kind											
Education	361	339	310	371	348	299	297	253	359	351	329
National Health Service	142	164	163	166	157	154	147	153	157	158	156
Welfare foods	51	30	17	21	11	12	9	10	7	8	18
Income after all taxes and benefits	1,512	1,980	2,242	2,583	2,711	2,862	3,124	3,461	4,060	5,494	3,003

Average incomes, taxes and benefits, 1973 and 1978

By decile groups of disposable income

TABLE 4

£ per year

	Decile groups										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
1978											
Deciles	*1,533*	*2,173*	*2,808*	*3,489*	*4,141*	*4,811*	*5,518*	*6,447*	*7,861*		
All households											
Number of households in the sample	700	700	700	700	700	700	700	700	700	701	7,001
Original income	274	739	1,794	2,892	3,990	4,966	5,818	6,969	8,359	12,442	4,825
Direct benefits in cash											
Family allowance/child benefit	4	26	53	78	91	117	112	107	102	106	80
Pensions	783	897	652	483	330	224	198	150	158	151	402
Unemployment/sickness/injury benefit	11	31	71	91	75	54	56	53	57	60	56
Other direct benefits	233	262	216	140	111	74	70	76	80	63	133
Original income and cash benefits	1,305	1,954	2,786	3,684	4,598	5,434	6,254	7,355	8,756	12,822	5,496
Direct taxes	90	96	302	534	773	973	1,101	1,379	1,657	2,563	947
Disposable income	1,216	1,858	2,484	3,150	3,825	4,460	5,153	5,977	7,098	10,260	4,549
Subsidies	197	181	142	132	128	95	90	81	86	87	122
Indirect taxes	259	402	597	706	840	959	1,072	1,200	1,376	1,808	922
Income after all taxes and transfers	1,153	1,637	2,029	2,576	3,113	3,596	4,170	4,857	5,808	8,538	3,748
Direct benefits in kind											
Education	119	97	196	246	313	401	378	425	428	524	313
National Health Service	224	304	308	323	326	324	332	335	350	396	322
Welfare foods	1	16	27	24	26	30	25	28	24	23	23
Income after all taxes and benefits	1,497	2,055	2,559	3,169	3,778	4,352	4,906	5,644	6,610	9,481	4,406
1973											
Deciles	*669*	*995*	*1,351*	*1,669*	*1,962*	*2,248*	*2,574*	*2,988*	*3,732*		
All households											
Number of households in the sample	713	712	713	712	713	713	712	713	712	713	7,126
Original income	101	373	955	1,512	1,966	2,314	2,694	3,184	3,822	6,171	2,309
Direct benefits in cash											
Family allowance	—	4	10	18	27	25	28	30	27	25	19
Pensions	333	406	277	172	99	91	87	74	73	64	168
Unemployment/sickness/injury benefit	4	11	30	32	28	30	24	16	20	19	22
Other direct benefits	92	81	56	25	23	26	14	18	24	14	37
Original income and cash benefits	531	874	1,328	1,759	2,143	2,486	2,847	3,321	3,966	6,293	2,555
Direct taxes	12	44	146	242	322	378	436	548	667	1,196	399
Disposable income	519	830	1,183	1,517	1,822	2,108	2,412	2,774	3,299	5,097	2,156
Subsidies	71	58	49	38	38	36	32	28	27	24	40
Indirect taxes	118	184	268	347	399	449	490	537	636	880	431
Income after all taxes and transfers	471	704	964	1,208	1,460	1,695	1,953	2,264	2,690	4,241	1,765
Direct benefits in kind											
Education	94	39	80	115	139	162	182	220	208	257	150
National Health Service	84	116	117	121	128	130	129	125	132	142	122
Welfare foods	1	5	7	9	10	12	11	12	11	10	9
Income after all taxes and benefits	651	865	1,168	1,454	1,737	1,999	2,276	2,621	3,041	4,650	2,046

Average incomes, taxes and benefits, 1978

By ranges of original income

TABLE 5

	£ per year																
	Under 381	381–	557–	816–	987–	1,194–	1,446–	1,749–	2,116–	2 561–	3,099	3 750–	4,537–	5,490–	6,642	8,038 and above	Average over all income ranges
All households																	
Number of households in the sample	988	183	189	102	113	140	126	170	215	284	425	579	738	793	746	1,210	7,001
Original income	92	463	684	902	1,092	1,332	1,598	1,928	2,333	2,830	3,424	4,158	5,028	6,051	7,311	11,087	4,825
Direct benefits in cash:																	
Family allowance/child benefit	36	27	21	31	44	43	40	63	74	66	71	102	115	103	106	93	80
Retirement and old age pension	834	967	1,024	965	909	771	675	536	468	327	197	153	124	89	66	63	333
Widows' pension	33	41	44	24	55	36	57	75	53	42	37	23	14	16	14	8	25
Disablement and war disability pension	11	8	28	3	16	5	—	14	8	2	3	4	7	5	1	7	7
Invalidity pension and allowances	96	69	39	71	85	119	93	106	62	30	25	29	11	15	5	7	37
Mobility allowance	22	50	12	28	28	16	21	8	8	17	8	13	10	6	6	4	12
Unemployment benefit	21	49	29	58	50	87	57	49	51	53	33	26	23	20	18	18	28
Sickness, industrial injury benefit	9	14	12	56	42	52	56	54	63	35	38	34	32	24	23	22	27
Industrial injury disablement benefit	10	27	9	6	—	18	—	4	—	4	7	4	5	9	1	2	6
Family income supplement	1	—	3	—	9	3	2	4	15	3	5	2	1	1	1	—	2
Supplementary benefits	411	169	131	99	124	126	153	106	44	48	44	52	27	22	19	18	98
Maternity benefit	1	—	—	2	3	1	—	2	3	8	11	8	10	10	6	3	5
Death/maternity grant	1	1	1	1	2	1	1	1	1	2	2	2	2	2	1	1	1
Redundancy payment	—	1	—	—	1	1	—	1	2	1	1	1	1	1	2	1	1
Other cash benefits	21	10	20	10	10	20	7	5	10	5	2	4	1	3	6	4	7
Original income *plus* cash benefits	1,598	1,894	2,057	2,255	2,470	2,630	2,760	2,954	3,196	3,472	3,909	4,614	5,413	6,376	7,586	11,338	5,496
Direct taxes:																	
National Insurance	—	−2	−2	2	7	5	16	40	61	98	136	174	208	252	292	395	180
Income tax	2	14	22	48	58	89	135	182	156	292	436	567	702	915	1,167	2,105	767
Disposable income	1,596	1,882	2,037	2,204	2,405	2,535	2,610	2,731	2,980	3,082	3,338	3,873	4,503	5,209	6,126	8,838	4,549
Subsidies:																	
Housing subsidy	233	172	100	106	101	143	118	120	129	110	121	110	89	76	66	58	111
Food subsidy	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Rail travel subsidy	2	1	1	3	4	2	3	3	6	5	6	6	7	10	14	26	10
Indirect taxes:																	
Local rates	84	82	88	98	99	106	110	110	118	110	112	124	134	140	155	187	130
On final goods and services	146	195	185	217	314	308	295	337	368	413	429	492	573	653	749	969	535
Intermediate products	95	111	110	134	159	159	160	167	178	184	206	233	260	293	348	469	257
Income after all taxes and transfers	1,508	1,667	1,756	1,866	1,940	2,108	2,167	2,242	2,452	2,490	2,718	3,140	3,634	4,210	4,955	7,299	3,748
Direct benefits in kind:																	
Education benefit	177	130	87	81	190	208	166	270	303	208	220	336	377	392	409	448	313
National Health Service	298	327	328	336	345	327	315	308	306	297	292	316	328	322	323	358	322
Welfare foods	24	16	11	10	27	22	12	27	24	22	19	26	26	25	22	21	23
Income after all taxes and benefits	2,008	2,140	2,183	2 294	2,502	2,665	2,660	2,846	3,084	3,018	3,249	3,818	4,364	4,948	5,709	8,127	4,406

Quantile shares of income by household type—1978

TABLE 6

	Percentage share of total income in groups of 5 per cent of households																		
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	Total
1 adult																					
Pensioner																					
Original income	—	—	—	—	—	—	—	—	—	0·5	1·3	2·4	4·0	6·1	8·5	10·4	12·3	14·4	16·8	23·2	100·0
Disposable income	3·5	3·8	4·0	4·2	4·3	4·4	4·6	4·7	4·9	5·0	5·1	5·1	5·3	5·4	5·4	5·5	5·7	5·9	6·1	7·2	100·0
Income after all taxes and benefits	3·0	3·7	3·9	4·1	4·3	4·5	4·6	4·7	4·8	4·9	5·0	5·1	5·2	5·3	5·5	5·6	5·7	6·0	6·5	7·6	100·0
Non-pensioner, retired																					
Original income	0·1	1·3	1·5	1·6	1·8	2·0	2·2	2·4	2·7	3·0	3·4	3·8	4·5	5·1	5·7	6·6	7·8	9·9	12·6	22·0	100·0
Disposable income	2·7	3·1	3·3	3·4	3·6	3·7	3·8	3·9	4·0	4·2	4·4	4·6	4·9	5·1	5·3	5·8	6·3	7·3	8·4	12·2	100·0
Income after all taxes and benefits	2·5	3·2	3·5	3·7	3·8	3·9	4·1	4·1	4·3	4·4	4·6	4·7	4·9	5·1	5·4	5·8	6·3	7·0	7·9	10·8	100·0
Non-pensioner, non-retired																					
Original income	—	0·2	0·9	1·6	2·3	2·9	3·2	3·7	4·1	4·6	5·0	5·3	5·6	6·0	6·5	7·1	7·9	8·7	10·3	14·1	100·0
Disposable income	1·0	2·1	2·5	2·8	3·2	3·4	3·6	3·9	4·2	4·4	4·6	4·9	5·2	5·5	5·9	6·4	7·1	7·8	9·1	12·4	100·0
Income after all taxes and benefits	1·1	2·2	2·6	3·0	3·3	3·5	3·7	3·8	4·1	4·3	4·6	4·8	5·2	5·5	6·0	6·6	7·1	7·8	8·8	12·1	100·0
2 adults																					
Pensioner																					
Original income	—	—	—	—	—	0·3	1·1	1·7	2·6	3·7	4·4	5·1	6·3	7·3	8·0	9·6	10·8	11·5	12·6	15·0	100·0
Disposable income	3·8	4·0	4·2	4·3	4·4	4·5	4·7	4·7	4·8	4·9	4·9	5·0	5·1	5·2	5·3	5·4	5·6	5·8	6·1	7·4	100·0
Income after all taxes and benefits	3·3	3·9	4·1	4·2	4·3	4·5	4·7	4·7	4·8	4·9	5·0	5·1	5·2	5·3	5·4	5·6	5·7	6·0	6·2	7·0	100·0
Non-pensioner, retired																					
Original income	0·1	1·0	1·5	1·7	1·9	2·1	2·4	2·6	2·9	3·3	3·6	4·1	4·6	5·2	5·8	6·6	7·8	10·0	12·6	20·2	100·0
Disposable income	2·5	3·2	3·3	3·4	3·6	3·7	3·8	4·0	4·1	4·3	4·5	4·7	4·9	5·2	5·5	5·9	6·4	7·2	8·4	11·2	100·0
Income after all taxes and benefits	2·4	3·2	3·4	3·6	3·7	3·9	4·0	4·2	4·3	4·4	4·6	4·8	4·9	5·2	5·5	5·9	6·2	7·0	8·0	10·9	100·0
Non-pensioner, non-retired																					
Original income	0·5	1·3	2·1	2·6	2·9	3·3	3·7	4·0	4·3	4·6	4·9	5·2	5·5	5·8	6·2	6·6	7·1	7·8	8·9	12·9	100·0
Disposable income	1·8	2·5	2·8	3·1	3·4	3·6	3·8	4·1	4·3	4·5	4·8	5·0	5·2	5·6	5·9	6·3	6·7	7·2	8·1	11·6	100·0
Income after all taxes and benefits	1·8	2·6	2·9	3·2	3·4	3·6	3·8	4·0	4·2	4·5	4·7	5·0	5·2	5·5	5·8	6·2	6·6	7·1	8·2	11·7	100·0

Quantile shares of income by household type—1978

TABLE 6 (*continued*)

	Percentage share of total income in groups of 5 per cent of households																			
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	Total
2 adults, 1 child																					
Original income	0·7	2·0	2·6	3·1	3·4	3·6	3·9	4·0	4·3	4·6	4·8	5·1	5·3	5·6	5·9	6·2	6·7	7·4	8·3	12·6	100·0
Disposable income	2·1	2·7	3·1	3·4	3·6	3·8	4·0	4·2	4·4	4·6	4·7	4·9	5·2	5·4	5·7	6·0	6·4	7·0	7·8	11·1	100·0
Income after all taxes and benefits	2·1	2·9	3·1	3·4	3·6	3·8	4·0	4·2	4·3	4·5	4·7	4·9	5·1	5·3	5·6	6·0	6·4	6·9	7·7	11·3	100·0
2 adults, 2 children																					
Original income	0·9	2·3	2·8	3·2	3·4	3·7	3·9	4·1	4·3	4·5	4·7	5·0	5·2	5·5	5·9	6·3	6·7	7·4	8·4	11·7	100·0
Disposable income	2·2	2·8	3·1	3·3	3·6	3·8	4·0	4·2	4·4	4·6	4·7	5·0	5·2	5·4	5·7	6·0	6·4	6·9	7·8	10·9	100·0
Income after all taxes and benefits	2·3	2·9	3·3	3·5	3·7	3·9	4·1	4·3	4·5	4·7	4·8	5·0	5·2	5·4	5·6	6·0	6·3	6·8	7·6	10·2	100·0
2 adults, 3 children																					
Original income	—	1·1	2·1	2·8	3·4	3·7	3·9	4·1	4·4	4·6	4·9	5·1	5·3	5·7	6·1	6·6	6·9	7·9	9·7	11·7	100·0
Disposable income	2·3	2·7	3·0	3·2	3·5	3·7	3·9	4·0	4·3	4·5	4·6	4·9	5·1	5·4	5·6	5·9	6·3	7·1	8·7	11·3	100·0
Income after all taxes and benefits	2·5	3·0	3·3	3·6	3·7	3·9	4·1	4·2	4·4	4·5	4·7	4·9	5·1	5·3	5·6	5·9	6·2	6·8	8·1	10·2	100·0
2 adults, 4 children																					
Original income	0·2	1·1	1·8	2·2	2·6	3·1	3·4	3·7	4·1	4·8	5·3	5·4	5·6	5·8	6·3	6·7	7·3	7·8	9·0	14·1	100·0
Disposable income	2·7	3·1	3·3	3·3	3·6	3·7	3·9	4·2	4·4	4·6	4·7	4·9	5·1	5·4	5·7	6·0	6·2	6·6	7·4	11·4	100·0
Income after all taxes and benefits	3·0	3·3	3·7	3·8	3·9	4·2	4·3	4·5	4·6	4·7	4·9	5·1	5·2	5·3	5·4	5·7	6·0	6·3	6·9	9·2	100·0
All households in the sample																					
Original income	—	—	0·3	0·7	1·2	2·0	2·7	3·4	3·9	4·5	4·9	5·4	5·9	6·4	7·0	7·6	8·3	9·4	10·9	15·6	100·0
Disposable income	1·1	1·5	1·9	2·2	2·6	2·9	3·3	3·7	4·0	4·4	4·7	5·1	5·5	5·9	6·3	6·8	7·4	8·2	9·4	13·2	100·0
Income after all taxes and benefits	1·2	1·7	2·0	2·4	2·7	3·0	3·3	3·7	4·0	4·3	4·7	5·0	5·4	5·8	6·3	6·8	7·3	8·1	9·3	12·9	100·0

Average incomes before and after taxes and benefits—1961-1978

TABLE 7

	Average income					Percentage of original income					Percentage of corresponding income in 1961			
	£ per year					Percentages					1961 =100			
	1961	1965	1969	1977	1978	1961	1965	1969	1977	1978	1965	1969	1977	1978
Retired and non-retired households														
1 adult														
Original income	312	420	510	1,459	1,679	100	100	100	100	100	135	163	468	538
Disposable income	375	502	618	1,834	2,102	120	120	121	126	125	134	165	439	560
Income after all taxes and benefits	341	439	546	1,774	2,042	109	105	107	122	122	129	160	520	599
2 adults														
Original income	824	1,007	1,351	3,873	4,533	100	100	100	100	100	122	164	470	550
Disposable income	809	988	1,273	3,659	4,340	98	98	94	94	96	122	157	452	537
Income after all taxes and benefits	698	828	1,054	3,310	3,942	85	82	78	85	87	119	151	474	565
2 adults, 1 child														
Original income	1,016	1,281	1,586	4,838	5,418	100	100	100	100	100	126	156	476	533
Disposable income	921	1,148	1,398	4,126	4,747	91	90	88	85	88	125	152	448	515
Income after all taxes and benefits	836	1,032	1,220	3,860	4,429	82	81	77	80	82	123	146	462	530
2 adults, 2 children														
Original income	1,026	1,245	1,762	5,160	6,070	100	100	100	100	100	121	172	503	592
Disposable income	961	1,159	1,582	4,401	5,289	94	93	90	85	87	121	165	458	550
Income after all taxes and benefits	936	1,113	1,473	4,480	5,350	91	89	84	87	88	119	157	479	572
2 adults, 3 children														
Original income	967	1,289	1,705	5,637	5,436	100	100	100	100	100	133	176	583	562
Disposable income	962	1,225	1,618	4,876	5,165	99	95	95	86	95	127	168	507	537
Income after all taxes and benefits	1,008	1,263	1,625	5,403	5,882	104	98	95	96	108	125	161	536	584
2 adults, 4 children														
Original income	1,030	1,219	1,638	4,310	5,000	100	100	100	100	100	118	159	418	485
Disposable income	1,023	1,227	1,650	4,220	5,028	99	101	101	98	101	120	161	413	492
Income after all taxes and benefits	1,123	1,343	1,760	5,400	6,372	109	110	107	125	127	120	157	481	567
3 adults														
Original income	1,282	1,616	2,140	6,153	7,121	100	100	100	100	100	126	167	480	555
Disposable income	1,197	1,475	1,907	5,323	6,317	93	91	89	87	89	123	159	445	528
Income after all taxes and benefits	1,035	1,248	1,609	4,806	5,624	81	77	75	78	79	121	155	464	543
3 adults, 1 child														
Original income	1,457	1,571	2,123	6,507	8,013	100	100	100	100	100	108	146	447	550
Disposable income	1,280	1,453	1,879	5,642	6,902	88	92	89	87	86	114	147	441	539
Income after all taxes and benefits	1,182	1,387	1,743	5,677	6,777	81	88	82	87	85	117	147	480	573
3 adults, 2 children														
Original income	1,289	1,661	2,232	6,307	7,016	100	100	100	100	100	129	173	489	544
Disposable income	1,214	1,565	2,070	5,735	6,621	94	94	93	91	94	129	171	472	545
Income after all taxes and benefits	1,190	1,607	2,014	6,170	7,152	92	97	90	98	102	135	169	518	601
4 adults														
Original income	1,742	2,064	2,789	8,415	10,036	100	100	100	100	100	118	160	483	576
Disposable income	1,558	1,860	2,456	6,991	8,476	89	90	88	83	84	119	158	449	544
Income after all taxes and benefits	1,352	1,625	2,079	6,400	7,777	78	79	75	76	77	120	154	473	575
All households in the sample														
Original income	960	1,172	1,519	4,234	4,825	100	100	100	100	100	122	158	441	503
Disposable income	922	1,121	1,421	3,907	4,549	96	96	94	92	94	122	154	424	493
Income after all taxes and benefits	847	1,019	1,271	3,808	4,406	88	87	84	90	91	120	150	450	520

Distribution of households co-operating in the Family Expenditure Survey, 1973 and 1978

By decile groups of original income

TABLE 8

	Decile groups										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	All households
1978											
1 adult retired	374	300	118	29	12	2	4	2	—	1	842
2 adults retired	151	232	173	52	19	20	7	4	6	3	667
1 adult non-retired	51	45	125	151	95	55	29	31	15	7	604
2 adults non-retired	24	36	115	190	188	196	220	226	206	171	1,572
2 adults, 1–4 children	32	22	85	181	290	311	302	229	205	134	1,791
Others	68	65	84	97	96	116	138	208	268	385	1,525
Number of households in the sample	700	700	700	700	700	700	700	700	700	701	7,001
Average original income (£ per year)	23	481	1,559	2,964	4,050	4,987	5,904	7,014	8,514	12,766	4,825
1973											
1 adult retired	411	273	75	22	4	7	3	2	2	3	802
2 adults retired	177	232	105	21	13	10	7	8	10	8	591
1 adult non-retired	29	72	147	126	71	44	24	13	10	12	548
2 adults non-retired	21	71	187	230	210	185	189	226	197	145	1,661
2 adults, 1–4 children	11	24	92	212	310	344	335	255	212	153	1,948
Others	64	40	107	101	105	123	154	209	281	392	1,576
Number of households in the sample	713	712	713	712	713	713	712	713	712	713	7,126
Average original income (£ per year)	19	283	907	1,539	1,951	2,345	2,728	3,193	3,889	6,238	2,309

Distribution of households co-operating in the Family Expenditure Survey, 1973 and 1978

By decile groups of original income plus cash benefits

TABLE 9

	Decile groups										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	All households
1978											
1 adult retired	560	171	61	22	13	7	5	1	1	1	842
2 adults retired	19	286	180	86	34	17	17	15	6	7	667
1 adult non-retired	85	87	129	115	75	43	30	22	12	6	604
2 adults non-retired	18	44	133	186	206	207	215	218	186	159	1,572
2 adults, 1–4 children	3	33	112	218	280	309	281	231	192	132	1,791
Others	15	79	85	73	92	117	152	213	303	396	1,525
Number of households in the sample	700	700	700	700	700	700	700	700	700	701	7,001
Average original income *plus* cash benefits (£ per year)	1,255	1,925	2,722	3,640	4,530	5,391	6,270	7,350	8,818	13,047	5,496
1973											
1 adult retired	571	148	34	19	10	7	4	3	3	3	802
2 adults retired	25	313	140	38	16	15	11	11	8	14	591
1 adult non-retired	71	94	126	110	55	37	22	10	12	11	548
2 adults non-retired	19	71	208	225	202	202	202	206	190	136	1,661
2 adults, 1–4 children	5	20	133	239	327	325	299	253	199	148	1,948
Others	22	66	72	81	103	127	174	230	300	401	1,576
Number of households in the sample	713	712	713	712	713	713	712	713	712	713	7,126
Average original income *plus* cash benefits (£ per year)	526	862	1,305	1,750	2,122	2,488	2,859	3,309	3,989	6,338	2,555

Distribution of households co-operating in the Family Expenditure Survey, 1973 and 1978

By decile groups of disposable income

TABLE 10

	Decile groups										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	All households
1978											
1 adult retired	549	191	50	27	11	8	3	1	1	1	842
2 adults retired	12	251	183	104	48	23	19	15	7	5	667
1 adult non-retired	98	124	145	89	63	33	20	17	11	4	604
2 adults non-retired	19	35	146	195	218	216	216	210	185	132	1,572
2 adults, 1–4 children	4	27	105	223	265	315	295	228	190	139	1,791
Others	18	72	71	62	95	105	147	229	306	420	1,525
Number of households in the sample	700	700	700	700	700	700	700	700	700	701	7,001
Average disposable income (£ per year)	1,216	1,858	2,484	3,150	3,825	4,460	5,153	5,977	7,098	10,260	4,549
1973											
1 adult retired	569	152	36	17	11	5	6	2	2	2	802
2 adults retired	23	294	143	50	23	12	16	10	9	11	591
1 adult non-retired	77	124	135	92	47	30	16	12	5	10	548
2 adults non-retired	17	69	218	243	216	206	206	188	177	121	1,661
2 adults, 1–4 children	7	19	117	232	326	326	308	254	202	157	1,948
Others	20	54	64	78	90	134	160	247	317	412	1,576
Number of households in the sample	713	712	713	712	713	713	712	713	712	713	7,126
Average disposable income (£ per year)	519	830	1,183	1,517	1,822	2,108	2,412	2,774	3,299	5,097	2,156

Distribution of households co-operating in the Family Expenditure Survey, 1973 and 1978

By decile groups of income after all taxes and transfers

TABLE 11

	Decile groups										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	All households
1978											
1 adult retired	444	261	74	32	17	4	4	5	1	—	842
2 adults retired	41	155	223	111	50	33	22	16	8	8	667
1 adult non-retired	123	127	111	78	60	44	25	18	11	7	604
2 adults non-retired	36	58	125	197	221	197	196	221	179	142	1,572
2 adults, 1–4 children	20	45	97	208	257	290	296	228	199	151	1,791
Others	36	54	70	74	95	132	157	212	302	393	1,525
Number of households in the sample	700	700	700	700	700	700	700	700	700	701	7,001
Average income after all taxes and transfers (£ per year)	1,029	1,597	2,059	2,557	3,079	3,589	4,177	4,883	5,837	8,670	3,748
1973											
1 adult retired	473	224	56	14	15	6	7	3	2	2	802
2 adults retired	57	208	166	68	24	21	17	11	6	13	591
1 adult non-retired	94	118	112	90	55	23	23	15	7	11	548
2 adults non-retired	41	83	198	247	199	207	202	177	174	133	1,661
2 adults, 1–4 children	26	31	117	221	311	302	305	260	210	165	1,948
Others	22	48	64	72	109	154	158	247	313	389	1,576
Number of households in the sample	713	712	713	712	713	713	712	713	712	713	7,126
Average income after all taxes and transfers (£ per year)	418	702	949	1,200	1,442	1,697	1,962	2,267	2,720	4,294	1,765

Distribution of households co-operating in the Family Expenditure Survey, 1973 and 1978

By decile groups of income after all taxes and benefits

TABLE 12

	Decile groups										
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	All households
1978											
1 adult retired	485	253	59	26	8	5	5	—	1	—	842
2 adults retired	18	159	252	119	57	19	19	11	10	3	667
1 adult non-retired	141	160	112	68	55	35	13	9	9	2	604
2 adults non-retired	29	80	160	253	230	225	202	182	114	97	1,572
2 adults, 1–4 children	9	23	79	161	250	268	311	279	242	169	1,791
Others	18	25	38	73	100	148	150	219	324	430	1,525
Number of households in the sample	700	700	700	700	700	700	700	700	700	701	7,001
Average income after all taxes and benefits (£ per year)	1,302	1,927	2,499	3,085	3,686	4,285	4,954	5,734	6,805	9,773	4,406
1973											
1 adult retired	520	199	40	15	11	8	4	3	1	1	802
2 adults retired	35	219	186	67	28	18	13	9	9	7	591
1 adult non-retired	101	152	113	82	33	29	18	8	5	7	548
2 adults non-retired	33	98	244	271	243	234	172	155	110	101	1,661
2 adults, 1–4 children	15	19	76	204	292	300	318	291	256	177	1,948
Others	9	25	54	73	106	124	187	247	331	420	1,576
Number of households in the sample	713	712	713	712	713	713	712	713	712	713	7,126
Average income after all taxes and benefits (£ per year)	536	836	1,118	1,401	1,698	1,993	2,287	2,639	3,155	4,800	2,046

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Data given on page 5 may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

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